



# Harsha Abakus Solar Private Limited

**11<sup>th</sup> Annual Report**

**2020-2021**

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## **BOARD OF DIRECTORS**

Shri Rajendra Shah	- Chairman & Whole-time Director
Shri Harish Rangwala	- Managing Director
Shri Vishal Rangwala	- CEO & Whole-time Director
Shri Pilak Shah	- COO & Whole-time Director
Ms. Hetal Ukani	- Whole-time Director

## **VP FINANCE & GROUP CFO**

Shri Maulik Jasani

## **COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER**

Shri Kiran Mohanty

## **AUDITORS**

M/s. Pankaj R. Shah & Associates, Chartered Accountants, Ahmedabad.

## **BANKERS**

CITI Bank N.A.  
State Bank of India  
ICICI Bank Ltd.  
Export-Import Bank of India  
RBL Bank Ltd.  
HDFC Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Yes Bank Ltd.  
HSBC Bank Limited

## **REGISTERED/ CORPORATE OFFICE/WORKS1**

NH – 8A, Sarkhej-Bavla Highway Changodar,  
Ahmedabad-382213, Gujarat, India.  
Tel. 91-2717-618200, Fax. 91-2717-618259  
Email-Id:-sec@harshaengineers.com  
Website:-www.harshaengineers.com  
CIN:- U29307GJ2010PTC063233

## **WORKS 2**

Moraiya Farm, Sarkhej-Bavla Road,  
P.O. Changodar, Ahmedabad – 382213

## NOTICE

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of HARSHA ABAKUS SOLAR PRIVATE LIMITED will be held on Monday, 27<sup>th</sup> December, 2021 at 10:00 a.m. at the Registered Office of the Company situated at NH - 8A, Sarkhej-Bavla Highway Changodar, Ahmedabad - 382213, to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt
  - a. The Audited Standalone Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2021, the reports of Board of Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2021 and Auditors thereon.
2. To Appoint a Director in place of Shri. Rajendra Shah (DIN: 00061922), who retired by rotation, being eligible for re-appointment offers himself for the same.
3. To Appoint a Director in place of Shri. Harish Rangwala (DIN: 00278062), who retired by rotation, being eligible for re-appointment offers himself for the same.
4. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions, if any, M/S. Pankaj R. Shah & Associates, Chartered Accountant (FRN:107361W), Ahmedabad as the Statutory Auditor of the Company for a period of five consecutive years from the conclusion of 11<sup>th</sup> Annual General Meeting until the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company with such remuneration as may be decided by the Board of Directors.”

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on 31<sup>st</sup> March, 2022 amounting to Rs. 210,000/- (Rupees Two Lakh Ten Thousand Only) plus applicable tax, if any and out of pocket expenses at actual, be and are hereby ratified and confirmed.”



6. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and rules of Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company be and are hereby authorized for inviting and accepting unsecured deposits from members of the Company subject to the maximum aggregating the amount representing 35% of the paid-up share capital and free reserves including share premium as per the latest audited balance sheet in accordance with the provisions of Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), framed under Section 73 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** draft of the circular or circular in the form of advertisement contains the salient features of unsecured deposits scheme of the Company and other relevant particulars in Form DPT-1 as prescribed under the Companies (Acceptance of Deposits) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) framed under Section 73 of the Companies Act, 2013 submitted to this meeting and initialled by the Chairman for the purpose of identification be and is hereby approved and the same be signed by a majority of Directors of the Company and be filed with the Registrar of Companies, Ahmedabad, Gujarat in Form GNL-2.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to do such acts, deeds, matters and things as Board of Directors may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for such invitation/acceptance/ renewal/ receipts as aforesaid and matters incidental thereto.”

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read together with Schedule V of the said Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and is hereby accorded for the payment of commission to the following directors of the Company in addition to the Salary/ Remuneration paid for the financial year ending on 31<sup>st</sup> March 2021.

Particulars	Commission (In Rs.)
Shri. Rajendra Shah	32,00,000
Shri. Harish Rangwala	32,00,000
Shri. Vishal Rangwala	122,00,000
Shri. Pilak Shah	90,00,000
Ms. Hetal Ukani	32,00,000
<b>Total</b>	<b>308,00,000</b>

**RESOLVED FURTHER THAT** the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution including necessary filings with and/or obtaining approvals

of the concerned regulatory authorities in connection therewith to give effect to the above resolution and issue certified true copies of these resolutions.

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** Ms. Hetal Ukani (DIN:01990172), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> August 2021 in terms of section 161(1), 149 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Director of the Company who shall be liable to retire by rotation at the Annual General Meeting.”

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** Shri. Vishal Rangwala (DIN: 02452416), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> August 2021 in terms of section 161(1), 149 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Director of the Company who shall be liable to retire by rotation at the Annual General Meeting.”

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read together with Schedule V of the said Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and is hereby accorded for the appointment of Ms. Hetal Ukani (DIN: 01990172) as a Whole-time Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December 2021 to 24<sup>th</sup> December 2024 both days inclusive, and whose office shall be liable to retire by rotation with such remuneration as per the details mentioned below which shall be effective from 1<sup>st</sup> January 2022:

1. Basic Salary and other allowance: Not exceeding Rs. 38,00,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company can/may provide the perquisites as mentioned below:
  - i. Chauffeur driven car maintained by the Company if opted by her.
  - ii. Mobile Expenses and instrument.

- iii. Leave Encashment.
- iv. Company's Contribution to Various schemes such as Superannuation, term insurance, gratuity etc., as per prevailing rules of the company.
3. In addition to above, the Company may provide to Ms. Hetal Ukani (DIN: 01990172), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Ms. Hetal Ukani (DIN: 01990172) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read together with Schedule V of the said Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and are hereby accorded for the appointment of Shri Rajendra Shah (DIN: 00061922) as a Chairman and Whole-time Director of the Company for a period of three years with effect from 25<sup>th</sup> December 2021 to 24<sup>th</sup> December 2024 both days inclusive, upon the terms of remuneration set out herein below which shall be effective from 1<sup>st</sup> January 2022 :

1. Basic Salary and other allowance: Not Exceeding Rs. 38,50,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Two Chauffeur driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Rajendra Shah (DIN: 00061922), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Rajendra Shah (DIN:

00061922) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorised to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

12. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read together with Schedule V of the said Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and are hereby accorded for the appointment of Shri Harish Rangwala (DIN: 00278062) as a Managing Director of the Company for a period of three years with effect from 25<sup>th</sup> December 2021 to 24<sup>th</sup> December 2024 both days inclusive, upon the terms of remuneration set out herein below which shall be effective from 1<sup>st</sup> January 2022:

1. Basic Salary and other allowance: Not Exceeding Rs. 38,50,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Two Chauffer driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Harish Rangwala (DIN: 00278062), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Harish Rangwala (DIN: 00278062) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorised to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

13. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read together with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and are hereby accorded for the appointment of Shri. Vishal Rangwala (DIN: 02452416) as a CEO & Whole-time Director of the Company for a period of three years with effect from 25<sup>th</sup> December 2021 to 24<sup>th</sup> December 2024 both days inclusive, upon the terms of remuneration set out herein below which shall be effective from 1<sup>st</sup> January 2022:

1. Basic Salary and other allowance: Not Exceeding Rs. 70,00,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Chauffer driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company’s contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Vishal Rangwala (DIN: 02452416), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Vishal Rangwala (DIN: 02452416) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

14. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read together with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the Shareholders be and are hereby accorded for the appointment of Shri. Pilak Shah (DIN: 00407960) as a COO & Whole-time Director of the Company for a period of three years with effect from 25<sup>th</sup> December 2021 to 24<sup>th</sup> December 2024 both days inclusive, upon the terms of remuneration set out herein below which shall be effective from 1<sup>st</sup> January 2022:

1. Basic Salary and other allowance: Not Exceeding Rs. 70,00,000 per annum as may be decided by the Company thereof.

2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Chauffer driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Pilak Shah (DIN: 00407960), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Pilak Shah (DIN: 00407960) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.”

15. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** in supersession to all the resolution passed by the members in the general meeting of the Company and pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and subject to consent of members in the ensuing Annual General Meeting of the Company, consent of the Company be and is hereby accorded to the Board to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by the following Subsidiaries and Group Companies of the Company.

1. Harsha Precision Bearing Components(China) Co Ltd.
2. Harsha Engineers B.V
3. Harsha Engineers Europe SRL
4. HASPL Americas Corporation
5. Daylight Solar Private Limited;
6. First Light Asset Management Private Limited ;
7. Hues Hub Online Private Limited.
8. Cleanmax Harsha Solar LLP
9. Advantterra Capital Management LLP
10. Sunstream Green Energy One Pvt. Ltd.

**RESOLVED FURTHER THAT** the said loan shall utilised by the aforesaid borrowing company for its principal business activities.

**RESOLVED FURTHER THAT** the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution including necessary filings with and/or obtaining approvals

of the concerned regulatory authorities in connection therewith to give effect to the above resolution and issue certified true copies of these resolution.

16. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** in supersession to all the resolution passed by the members in the general meeting of the Company and pursuant to the provisions of Sections 62(3) and other applicable provisions of the Companies Act, 2013, and in accordance with the Memorandum of Association and Articles of Association of the Company and applicable regulations and subject to such conditions or modifications which may be agreed to by the Board, consent of the shareholders of the Company be and is hereby accorded for the Company to create, issue, offer and allot its equity shares (the “Shares”) to each of the Lender/Depositor on such terms and conditions as may be agreed to while accepting such deposit/Loan(Facility) from time to time.

**RESOLVED FURTHER THAT** in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded to the terms and Conditions inter alia, for an option to each of the Lender/Depositor to convert the whole or part of the outstanding Facility of the Company (whether then due or payable or not) in respect of the , into fully paid up equity Shares of the Company at par value or fair value (as ascertained in accordance with applicable laws, regulation and guidelines), as may be decided by the Lender/Depositor, and in the manner specified in a notice in writing to be given by the Lender/Depositor to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

- (i) the conversion right reserved as aforesaid may be exercised by the Lender/Depositor upon expiry of six month period or more than that;
- (ii) on receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Shares to the Lender/Depositor or such other person identified by the Lender/Depositor as from the date of conversion and the Lender/Depositor shall accept the same in satisfaction of the part of the Facility so converted;
- (iii) the part of the Facility so converted shall cease to carry interest as from the date of conversion and the Loan shall stand correspondingly reduced. Upon such conversion, the repayment installments payable after the date of conversion shall stand reduced proportionately by the amounts of the Facility so converted. The Shares so allotted and issued to the Lender/Depositor or such other person identified by the Lender/Depositor shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said Shares shall rank paripassu with the existing equity shares of the Company in all respects. The Company shall, at all times, maintain sufficient un-issued equity shares for the above purpose;

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to issue and allot to the Lender/Depositor the number of equity shares for conversion of the said portion of the Facility as may be desired by the Lender/Depositor.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Shares and the utilisation of the issue proceeds as per the terms with the Lender/Depositor and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, to vary the size of the issue, appoint banks and other intermediaries or agencies

concerned or as the Board may suo moto decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters to do things whatsoever, including settle any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorised herein, and that all or any of the powers conferred on the Board vide this resolution may be exercised by the Board.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay any fees and commission and incur expenses in relation thereto.

**RESOLVED FURTHER THAT** copies of the aforesaid resolutions, certified to be true, be furnished to the Lender/Depositor and the Lender/Depositor be requested to act thereon.”

17. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** in supersession to all the resolution passed by the members in the general meeting of the Company, the consent of the Company be and is hereby accorded to the Board of Directors in terms of the provisions of Section 186 of the Companies Act, 2013, and the Board be and is hereby authorized subject to such other approvals, consent, sanctions as may be necessary including from banks and financial institutions if any, and all such other statutory approvals, if any, and other applicable Rules, Regulations, Guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and such conditions as may be prescribed by any of the concerned authorities for:

- a) giving any loan to any person or other body corporate
- b) giving any guarantee or providing security in connection with a loan to its subsidiaries (including step subsidiaries) or to any other body corporate or person
- c) acquiring or investing whether by way of subscription, purchase or otherwise, the securities of its subsidiaries (including step subsidiaries) or any other body corporate

upto an amount, the aggregate outstanding of which should not exceed at any given time Rs. 1200 Crores (Rupees One Thousand two hundred Crores) which shall be over and above the limits as specified in section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans to any person or body corporate or to guarantees/securities given/provided to its subsidiary companies and /or joint venture companies and investments made in subsidiary companies from time to time.”

**“RESOLVED FURTHER THAT** the consent of the Company, be and is hereby accorded to the Board of Directors, pursuant to Rule No. 11 of the Companies (Meetings of Board and its powers) Rules, 2014 and Section 186 and other applicable provisions of the Companies Act, 2013, to give any loan to or guarantee or provide any security on behalf of, or acquire securities of, the Subsidiaries of the Company and/or any other corporate and/or person, for such sums as may be decided by Board of Directors as permitted or subject to the provisions specified therein.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit including the terms and conditions within the



above limits upto which such investments in securities/loans/guarantees, that may be given or made, as may be determined by the Board thereof, including with the power to transfer/dispose of the investments so made, from time to time, and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such investments, loans, guarantees and security and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.

18. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution.**

**"RESOLVED THAT** in supersession to all the resolution passed by the members in the general meeting of the Company and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, and other applicable provisions, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of shareholders, the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves includes securities premium of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 1200 Crores (Rupees One Thousand two hundred Crores) together with Interest as agreed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

**RESOLVED FURTHER THAT** the any Director and/or Company Secretary of the company be and are hereby authorized to take all necessary and ancillary steps that may be required to give effect to this resolution.

19. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution.**

**"RESOLVED THAT** in supersession to all the resolution passed by the members in the general meeting of the Company and Pursuant to Section 180 (1) (a) of the Companies Act, 2013 the consent of the members be and is hereby accorded to mortgage and/or charge, in addition to the mortgages/charges created or to be created by the company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and /or immovable properties of the company, both present and future and/or whole or any part of the undertaking(s) of the company together with the power to take over the Management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowings of the Company ~~availed~~/to be ~~availed~~ by way of loan(s) (in foreign currency and/or rupee currencies) and Securities comprising fully/partly convertible Debentures with or without detachable and/or secured premium notes and/or floating rates notes bonds or other debt instrument(s) issued or to be issued by the Company from time to time, subject to the limits approved u/s 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s), Trustees, premium (if any) on redemption, all other

costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/Heads of document entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lender(s)/Agent(s)/Trustee(s)."

**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, things and take such necessary steps as may be expedient, necessary and proper to give effect to this resolution.

**25<sup>th</sup> December, 2021**

Registered Office:

NH - 8A, Sarkhej-Bavla Highway Changodar,  
Ahmedabad-382213, Gujarat, India.

Tel. 91-2717-618200, Fax. 91-2717-618259

Email-Id:-sec@harshaengineers.com

Website:-www.harshaengineers.com

CIN:- U29307GJ2010PTC063233

**By Order Of Board Of Directors**



**Rajendra Shah**

**Chairman & Whole-Time Director**

**Din: 00061922**

**Notes:**

The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no 5 to 19 as stated above is annexed hereto.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting.
4. Members/proxies/authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
5. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. from the date of here of up to the date of the Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE****Item No.5**

The Board of Directors, at its meeting held on 25<sup>th</sup> December 2021, approved the appointment of M/s Kiran J. Mehta & Co. (Firm Registration No.: 000025), Cost Accountants as Cost Auditors of the Company for conducting Cost Audit of the Company for the Financial Year ending on March 31, 2022 at a remuneration of Rs. 2,10,000/- (Rupees Two Lakh Ten Thousand Only) plus applicable tax, if any and out of pocket expenses at actual.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the Cost Auditor of the Company.

Accordingly, consent of the members are sought for passing an Ordinary Resolution as set out in Item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel and/ or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out in Item No.5 of the notice.

The Board recommends the Resolution under Item No. 5 of the notice for approval of the Members as an Ordinary Resolution.

#### **Item No.6**

Keeping in view of fund requirements, the Company may accept unsecured deposits from its members as per the provisions of Section 73 and as per the rules of Companies (Acceptance of Deposits) Rules, 2014. For the above mentioned purpose a resolution, is to be passed by shareholders for authorizing the Board of Directors, for accepting the deposits from its shareholders up to an amount representing 35% of the paid-up share capital and free reserves including share premium as per the latest audited balance sheet and also for doing all necessary acts regarding the matter.

Directors, Key Managerial Personnel and/or their relatives may be interested, financially or otherwise, in the resolution set out in Item No. 6 of the notice.

The Board recommend the Resolution under Item No. 6 of the accompanying Notice for your approval as an Ordinary Resolution.

#### **Item No.7**

The Board of Directors of the Company have proposed for the payment of Commission to the following Directors in addition to the Remuneration/ Salary paid for the financial year ending on 31<sup>st</sup> March, 2021 considering the performance, contribution and other parameters as the Board may decide.

<b>Particulars</b>	<b>Commission (in Rs.)</b>
Shri. Rajendra Shah	32,00,000
Shri. Harish Rangwala	32,00,000
Shri. Vishal Rangwala	122,00,000
Shri. Pilak Shah	90,00,000
Ms. Hetal Ukani	32,00,000
<b>Total</b>	<b>308,00,000</b>

The Board therefore submit the resolution for your consideration and recommends it to be passed as a special resolution set out at the Item no. 7 of the notice for approval by the shareholders.

Directors, Key Managerial Personnel and their relatives may be interested, financially or otherwise, in the resolution set out in Item No. 7 of the notice.

#### **Item No.8**

Ms. Hetal Ukani (DIN: 01990172) was appointed as an Additional Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. She hold office as an Additional Director of the Company up to the conclusion of the ensuing Annual General Meeting of the Company. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013, Company has received a notice from shareholder proposing her candidature for the office of Director.

She holds a bachelor's degree in Mechanical Engineering from Gujarat University, Ahmedabad and has completed Master of Technology in Design.

None of the Directors, Key Managerial Personnel and/ or their relatives except Ms. Hetal Ukani and her relative Shri Rajendra Shah (DIN: 00061922) Director and Shri Pilak Shah (DIN: 00407960) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 8 of the accompanying Notice for your approval as an Ordinary resolution.

#### **Item No.9**

Shri Vishal Rangwala (DIN: 02452416) was appointed as an Additional Director on the Board of the Company pursuant to the provisions of Section 161(1) and 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He hold office as an Additional Director of the Company up to the conclusion of the ensuing Annual General Meeting of the Company. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013, Company has received a notice from shareholder proposing his candidature for the office of Director.

Shri Vishal Rangwala (DIN: 02452416) holds bachelor's degree in Mechanical Engineering and has completed his M.S in Engineering Management from University of Southern California.

None of the Directors, Key Managerial Personnel and/ or their relatives except Shri Vishal Rangwala and his relative, Shri Harish Rangwala (DIN: 00278062) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 9 of the accompanying Notice for your approval as an Ordinary resolution.

#### **Item No.10**

Ms. Hetal Ukani (DIN: 01990172) holds a bachelor's degree in Mechanical Engineering from Gujarat University, Ahmedabad and has completed Master of Technology in Design.

The Board at its meeting held on 25<sup>th</sup> December 2021 based on the performance evaluation of Director appointed Ms. Hetal Ukani (DIN: 01990172) as a Whole-time Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December, 2021 with the remuneration as set out below

1. Basic Salary and other allowance: Not exceeding Rs. 38,00,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company can/may provide the perquisites as mentioned below:
  - i. Chauffeur driven car maintained by the Company of opted by her.
  - ii. Mobile Expenses and instrument.
  - iii. Leave Encashment.
  - iv. Company's Contribution to Various schemes such as Superannuation, term insurance, gratuity etc., as per prevailing rules of the company.
3. In addition to above, the Company may provide to Ms. Hetal Ukani (DIN: 01990172), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.

5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Ms. Hetal Ukani (DIN: 01990172) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

#### DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013.

General Information:			
1) Nature of Industry	Engineering and Solar EPC Business		
2) Date or expected date of commencement of commercial production	It was issued by ROC on December 11, 2010.		
3) Financial performance based on given indicators	Particulars	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
	Equity Share Capital	5,000	5,000
	Other Equity	41,050	36,740
	Profit for the year before taxation	5,138	2,983
	Profit after taxation	3,795	2,011
4) Foreign investments (Equity) made by Company, if any	Equity Shares of Harsha Precision Bearing Components (China) Co. Ltd	6,760	4,916
	Equity Shares of Harsha Engineers B.V	11,053	11,053
	Equity Shares of HASPL Americas Corporation	67	-

Information about the Ms. Hetal Ukani (DIN: 01990172)	
Background Detail	Ms. Hetal Ukani is an Additional Director of the Company since 12 <sup>th</sup> August, 2021
Past Remuneration	-
Remuneration Proposed	Rs. 38,00,000/- per annum
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Ms. Hetal Ukani is an Additional Director of the Company. She is a relative of Shri Rajendra Shah (DIN: 00061922), Director and Shri Pilak Shah (DIN:00407960), Director of the Company.

Other Information:	
Reasons of Loss or inadequate profits	At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

None of the Directors, Key Managerial Personnel and/ or their relatives except Ms. Hetal Ukani and her relative Shri Rajendra Shah (DIN: 00061922) Director and Shri Pilak Shah (DIN: 00407960) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 10 of the accompanying Notice for your approval as a special resolution.

#### Item No.11

Shri Rajendra Shah (DIN: 00061922) holds bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi.

The Board at its meeting held on 25<sup>th</sup> December 2021 based on the performance evaluation of Director appointed Shri Rajendra Shah (DIN: 00061922) as a Chairman and Whole-time Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December, 2021 with the remuneration as set out below and also he is attaining the age of 74 years during his tenure of office.

1. Basic Salary and other allowance: Not Exceeding Rs 38,50,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Two Chauffer driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Rajendra Shah (DIN: 00061922), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Rajendra Shah (DIN: 00061922), can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

#### DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013:

General Information:			
2) Nature of Industry	Engineering and Solar EPC Business		
2) Date or expected date of commencement of commercial production	It was issued by ROC on December 11, 2010.		
3) Financial performance based on given indicators	Particulars	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
	Equity Share Capital	5,000	5,000
	Other Equity	41,050	36,740
	Profit for the year before	5,138	2,983

	taxation		
	Profit after taxation	3,795	2,011
4) Foreign investments (Equity) made by Company, if any	Equity Shares of Harsha Precision Bearing Components (China) Co. Ltd	6,760	4,916
	Equity Shares of Harsha Engineers B.V	11,053	11,053
	Equity Shares of HASPL Americas Corporation	67	-

<b>Information about the Shri Rajendra Shah (DIN: 00061922)</b>	
Background Detail	Shri Rajendra Shah is the Director of the Company since 6 <sup>th</sup> May, 2011
Past Remuneration	-
Remuneration Proposed	Rs 38,50,000 per annum
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Shri Rajendra Shah is the Director of the Company. He is a relative of Shri Pilak Shah (DIN: 00407960), Director and Ms. Hetal Ukani (DIN:01990172) as Director of the Company.

<b>Other Information:</b>	
Reasons of Loss or inadequate profits	At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

None of the Directors, Key Managerial Personnel and/ or their relatives except Shri Rajendra Shah (DIN: 00061922) and his relative Shri Pilak Shah (DIN: 00407960) Director and Ms. Hetal Ukani (DIN: 01990172) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 11 of the accompanying Notice for your approval as a special resolution.

#### **Item No.12**

Shri Harish Rangwala (DIN: 00278062) holds bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi.

The Board at its meeting held on 25<sup>th</sup> December 2021 based on the performance evaluation of Director appointed Shri Harish Rangwala (DIN: 00278062) as a Managing Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December, 2021 with the remuneration as set out below and also he is attaining the age of 74 years during his tenure of office.



1. Basic Salary and other allowance: Not Exceeding Rs 38,50,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Two Chauffer driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Harish Rangwala (DIN: 00278062), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Harish Rangwala (DIN: 00278062), can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

#### DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013.

General Information:			
3) Nature of Industry	Engineering and Solar EPC Business		
2) Date or expected date of commencement of commercial production	It was issued by ROC on December 11, 2010.		
3) Financial performance based on given indicators	Particulars	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
	Equity Share Capital	5,000	5,000
	Other Equity	41,050	36,740
	Profit for the year before taxation	5,138	2,983
	Profit after taxation	3,795	2,011
4) Foreign investments (Equity) made by Company, if any	Equity Shares of Harsha Precision Bearing Components (China) Co. Ltd	6,760	4,916
	Equity Shares of Harsha Engineers B.V	11,053	11,053
	Equity Shares of HASPL Americas Corporation	67	-

Information about the Shri Harish Rangwala (DIN: 00278062)	
Background Detail	Shri Harish Rangwala is a Director of our Company since incorporation of our Company.
Past Remuneration	-
Remuneration Proposed	38,50,000 per annum

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Shri Harish Rangwala is a Director of the Company. He is a relative of Shri Vishal Rangwala (DIN: 02452416) Director of the Company.
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Other Information:	
Reasons of Loss or inadequate profits	At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

None of the Directors, Key Managerial Personnel and/ or their relatives except Shri Harish Rangwala (DIN: 00278062) and his relative Shri Vishal Rangwala (DIN: 02452416) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 12 of the accompanying Notice for your approval as a special resolution.

### Item No. 13

Shri Vishal Rangwala (DIN: 02452416) holds bachelor's degree in Mechanical Engineering and has completed his M.S in Engineering Management from University of Southern California.

The Board at its meeting held on 25<sup>th</sup> December 2021 based on the performance evaluation of Director appointed Shri Vishal Rangwala (DIN: 02452416) as a CEO and Whole-time Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December, 2021 with the remuneration as set out below

1. Basic Salary and other allowance: Not Exceeding Rs. 70,00,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Chauffeur driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's Contribution to Various schemes such as Superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Vishal Rangwala (DIN:02452416), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Vishal Rangwala

(DIN:02452416) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

#### DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013.

General Information:			
4) Nature of Industry	Engineering and Solar EPC Business		
2) Date or expected date of commencement of commercial production	It was issued by ROC on December 11, 2010.		
3) Financial performance based on given indicators	Particulars	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
	Equity Share Capital	5,000	5,000
	Other Equity	41,050	36,740
	Profit for the year before taxation	5,138	2,983
	Profit after taxation	3,795	2,011
4) Foreign investments (Equity) made by Company, if any	Equity Shares of Harsha Precision Bearing Components (China) Co. Ltd	6,760	4,916
	Equity Shares of Harsha Engineers B.V	11,053	11,053
	Equity Shares of HASPL Americas Corporation	67	-

Information about the Shri Vishal Rangwala (DIN: 02452416)	
Background Detail	Shri Vishal Rangwala, is a Additonal Director of the Company since 12 <sup>th</sup> August, 2021
Past Remuneration	-
Remuneration Proposed	Rs. 70,00,000 per annum
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Shri Vishal Rangwala is a Additonal Director of the Company. He is a relative of Shri Harish Rangwala (DIN: 00278062) Director of the Company.

Other Information:	
Reasons of Loss or inadequate profits	At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

None of the Directors, Key Managerial Personnel and/ or their relatives except Shri Vishal Rangwala (DIN: 02452416) Director and his relative, Shri Harish Rangwala (DIN: 00278062) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 13 of the accompanying Notice for your approval as a special resolution.

#### Item No.14

Shri Pilak Shah (DIN:00407960) holds bachelor's degree in Mechanical Engineering and has completed his M.S in Integrated Manufacturing System from North Carolina State University

The Board at its meeting held on 25<sup>th</sup> December 2021 based on the performance evaluation of Director appointed Shri Pilak Shah (DIN:00407960) as a COO and Whole-time Director of the Company for a period of three consecutive years with effect from 25<sup>th</sup> December, 2021 with the remuneration as set out below

1. Basic Salary and other allowance: Not Exceeding Rs 70,00,000 per annum as may be decided by the Company thereof.
2. In addition to the above, the Company will continue to provide the perquisites as mentioned below:
  - i. Chauffeur driven car maintained by the Company if opted by him.
  - ii. Mobile Expenses and Instrument.
  - iii. Leave Encashment.
  - iv. Company's Contribution to Various schemes such as Superannuation, term insurance, gratuity etc., as per prevailing statutory regulations and rules of the Company.
3. In addition to above, the Company may provide to Shri Pilak Shah (DIN:00407960), any other perquisites if it deem fit or may pay remuneration by way of commission or bonus or in any other form as per the profitability of the Company which shall not exceed the limit given under the provisions of Section 197 of the Companies Act, 2013 read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration and will be paid and reimbursed by the Company.
5. Notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profits, Shri Pilak Shah (DIN:00407960) can be paid such remuneration as may be approved by the Board which shall be within the ceiling as prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

#### DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT 2013:

General Information:			
5) Nature of Industry	Engineering and Solar EPC Business		
2) Date or expected date of commencement of commercial production	It was issued by ROC on December 11, 2010.		
3) Financial performance based on given indicators	Particulars	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
	Equity Share Capital	5,000	5,000
	Other Equity	41,050	36,740

	Profit for the year before taxation	5,138	2,983
	Profit after taxation	3,795	2,011
4) Foreign investments (Equity) made by Company, if any	Equity Shares of Harsha Precision Bearing Components (China) Co. Ltd	6,760	4,916
	Equity Shares of Harsha Engineers B.V	11,053	11,053
	Equity Shares of HASPL Americas Corporation	67	-

Information about the Shri Pilak Shah (DIN: 00407960)	
Background Detail	Shri Pilak Shah (DIN: 00407960) Director of the Company since 5th February, 2016.
Past Remuneration	-
Remuneration Proposed	70,00,000 per annum
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Shri Pilak Shah is a Director of the Company. He is a relative of Shri Rajendra Shah (DIN: 00061922) Director and Ms. Hetal Ukani (DIN:01990172) Director of the Company.

Other Information:	
Reasons of Loss or inadequate profits.	At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
Expected increase in productivity and profits in measurable terms.	It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

None of the Directors, Key Managerial Personnel and/ or their relatives except Shri. Pilak Shah (DIN: 00407960) Director and his relatives Shri Rajendra Shah (DIN :00061922) and Ms Hetal Ukani (DIN:01990172) Director of the Company and their relatives, are interested or concerned in the proposed resolution.

The Board recommend the resolution set out at Item No. 14 of the accompanying Notice for your approval as a special resolution.

#### Item No. 15

In compliance with Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended from time to time, the Board may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by the following Subsidiaries and Group Companies of the Company

1. Harsha Precision Bearing Components(China) Co Ltd
2. Harsha Engineers B.V

3. Harsha Engineers Europe SRL
4. HASPL Americas Corporation
5. Daylight Solar Private Limited;
6. First Light Asset Management Private Limited ;
7. Hues Hub Online Private Limited.
8. Cleanmax Harsha Solar LLP
9. Advantterra Capital Management LLP
10. Sunstream Green Energy One Pvt. Ltd.

i) Purpose : General Business/Corporate Purpose

ii) Amount of loan : Which shall not exceeding Rs.1200 Crores .

iii) Rate of Interest: as prescribed in Provisions of Section 185 of Companies Act,

iv) Terms of Repayment: As may mutually decide by the parties

Sanction of loan will be at the sole discretion of the Management.. The Board of Directors recommend passing of the said Resolution.

No Director and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in respect of the said resolution.

The Board recommends the resolution set out at Item No. 15 of the accompanying Notice for your approval as special resolution.

#### **Item No. 16**

The members may please be informed that in order to avail financial facility(ies)/Deposit from various Lenders/Depositors, it is proposed to pass a resolution under Section 62(3) and other applicable provisions of the Companies Act, 2013, to accord consent to the Board of Directors of the Company to convert such financial facilities into equity shares of the Company as the terms and conditions as may be agreed to from time to time.

None of the directors or any key managerial personnel or any relative of any of the directors/ key managerial personnel of the Company is, in anyway, concerned or interested in the above Resolution.

The Board recommends the resolution set out at Item No. 16 of the accompanying Notice for your approval as special resolution.

#### **Item No. 17**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs. 1200 Crores ( Rupees One Thousand Two Hundred Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 17 of the accompanying Notice for your approval as special resolution.

#### **Item No. 18**

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013 (with respect to borrow money in excess of aggregate of the paid-up share capital and free reserves includes securities premium respectively, approval of the members need to be obtained by way of Special Resolution. The business of the Company had increased manifold, keeping the capital expenditure to be incurred and the working capital requirement in mind it would be advisable to authorise the Board of Directors to borrow upto Rs. 1200 Crore (Rupees One Thousand Two Hundred Crores Only). Accordingly, the approval of members by way of special resolution is sought.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested in above resolution.

The Board recommends the resolution set out at Item No. 18 of the accompanying Notice for your approval as special resolution.

#### **Item No. 19**

The Board has through item No. 19 recommends to increase the borrowing limits under Section 180 (1) (a) of the Companies Act, 2013 Upto Rs. 1200 Cr. ( Rupees One Thousand Two Hundred Crores Only). The borrowing of the Company are in general required to be secured by suitable mortgage and/or charge on any of movable or immovable properties of the company in such form, manner and ranking as may be required by the lenders and agreed by the Board of Directors of the company.

The mortgage and/or charge by the company of its movable and/or immovable properties and/ or the whole or any part of the undertaking(s) of the company, in favour of lender(s), with a power to take over the Management of the business and concern of the company. Hence, the consent of the company in general meeting is required under the said section for creation of such mortgage/charge.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

The Board recommends the resolution set out at Item No. 19 of the accompanying Notice for your approval as special resolution.

**25<sup>th</sup> December, 2021**

Registered Office:

NH – 8A, Sarkhej-Bavla Highway Changodar,  
Ahmedabad-382213, Gujarat, India.

Tel. 91-2717-618200, Fax. 91-2717-618259

Email-Id:-sec@harshaengineers.com

Website:-www.harshaengineers.com

CIN:- U29307GJ2010PTC063233

**By Order Of Board Of Directors**



**Rajendra Shah**

**Chairman & Whole-Time Director**

**DIN: 00061922**

## BOARD'S REPORT

To,

The Members,

The Board of Directors are pleased to present the 11<sup>th</sup> Annual Report together with the Audited Annual Accounts of the Company for the Financial Year ended on 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

The standalone performance during the Financial Year ended on 31<sup>st</sup> March, 2021 has been as under:

	(Rs. In Lakhs)	
Particulars	2020-21	2019-20*
<b>Revenue from Operations</b>	<b>58,204</b>	<b>60,053</b>
Profit Before Depreciation and Tax	6,866	4,996
Less : Depreciation	1,728	2,013
<b>Profit for the year before taxation</b>	<b>5,138</b>	<b>2983</b>
<b>Provision for Taxation:</b>		
Current Year Tax	-	1,450
Deferred Tax	1,343	(615)
MAT Credit utilised/(availed)	-	137
<b>Profit after taxation</b>	<b>3,795</b>	<b>2,011</b>
Other Comprehensive income for the year	515	(429)
<b>Total Comprehensive income for the year</b>	<b>4,310</b>	<b>1,582</b>

\*Refer note 31.6 to the Audited Standalone Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2021.

The Company previously had prepared financial statements in accordance with the accounting standards specified under the section 133 of the Act read together with the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP or IGAAP) while the Company has voluntarily decided to adopt Ind AS accounting standards as specified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time along with the rules thereof or any other applicable rules or related requirements under the Act from the beginning of current financially year (2020-21) and accordingly Ind AS transition date is 01st April 2019. Accordingly, Harsha Abakus Solar Private Limited has prepared it's first standalone financial statements in accordance with Ind AS.

The accounting policies set out in the Note to the Audited Standalone Financial Statement have been applied in preparing the financial statements for the year ended 31st March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 01st April 2019 (the Company's date of transition to Ind AS).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with the Indian GAAP. As the effect of the Scheme has



been provided from the beginning of the preceding financial year (i.e. 1st April 2019) as per the requirement of appendix C of Ind AS 103, refer Note No. 31.6, and same is also a transition date to Ind AS for the Company, we have considered here balance under Indian GAAP only for the Companies (including transferor company) whose previous GAAP was under Indian GAAP and not Ind AS. Accordingly, balance under Indian GAAP shown in this note are respective balances of Harsha Abakus Solar Private Limited and Helianthus Solar Power Private Limited as per their previous GAAP as other companies being part of the Scheme are under Ind AS only. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

## **PERFORMANCE AND OPERATION REVIEW**

Your Company has achieved revenue of Rs. 58,204 Lakhs for the year ended 31<sup>st</sup> March, 2021, a decrease of 3 % as compared to Rs. 60,053 Lakhs in the previous year.

Profit after tax (PAT) for the year ended 31<sup>st</sup> March, 2021 was Rs 3,795 Lakhs, increase of 89% as against Rs. 2,011 Lakhs in the previous year.

Basic earnings per share (EPS) for the year ended 31<sup>st</sup> March, 2021 was Rs 7.59 as against Rs 5.75 in the previous year.

Diluted earnings per share (EPS) for the year ended 31<sup>st</sup> March, 2021 was Rs 4.91 as against Rs 3.23 in the previous year.

## **SIGNIFICANT ACTIVITIES IN FINANCIAL YEAR 2020-21**

The year under review would be remembered for the following significant activities in your Company.

1. Sad sudden demise of Late Shri Munjal Rangwala as Founder Promoter and Whole time Director of the Company on 20th March 2021
2. Consolidation of two group business i.e "Engineering business and solar business" synergizing under a single entity by way of Merger.
3. Kick off of "One Harsha" project with intentions to integrate Harsha Engineers Globally
4. Schaeffler awarded Harsha Engineers business for the category of "Value" partnering in Virtual Supplier Meet on September 15, 2020
5. 10<sup>th</sup> Anniversary of the Solar Industrial was celebrated on 11<sup>th</sup> December 2020
6. Executed 15 MG of Rooftop Industrial projects in India

## **SIGNIFICANT AND MATERIAL ORDERS IMPACTING OPERATIONS OF THE COMPANY IN FUTURE**

### **I. Composite Scheme of Amalgamation and Arrangement**

The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), vide its Order dated 23<sup>rd</sup> December 2021 approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme" or "Business Reorganization Scheme ") as per below manner:

1. Amalgamation of Aastha Tools Private Limited (ATPL or Transferor Company 1) and Harsha Engineers (India) Private Limited (HEIPL or Transferor Company 2) into the Harsha Engineers Limited (HEL or Transferor Company 3/Transferee Company 1) and their respective Shareholders and Creditors

2. Amalgamation of Harsha Engineers Limited and Helianthus Solar Power Private Limited (HSPPL or Transferor Company 4) into Harsha Abakus Solar Private Limited (HASPL or Transferee Company 2) and their respective Shareholders and Creditors
3. Reduction in the face value of the existing equity shares from Rs. 10/- each to Re. 1/- each of the HASPL and subsequent consolidation of such 10 equity shares having face value of Re. 1/- each into 1 equity share having face value of Rs. 10/- each in the manner set out in the Scheme and other applicable provisions of applicable Law or the Act.

The appointed date of the Scheme was 1<sup>st</sup> April 2020. The Scheme became effective from 24<sup>th</sup> December 2021 upon filing of the certified copy of order with Registrar of Companies, Ahmedabad. The Scheme of Amalgamation inter alia, envisages following benefits:

- i. Create a unified structure, instead of separate entities and thereby maintain a simple corporate structure and eliminate duplicate corporate procedures;
- ii. Significant reduction in the multiplicity of legal and regulatory compliances and thereby result in cost efficiency and reduction in secretarial costs;
- iii. The common requirements under various divisions can be combined which will provide better bargaining power, improvement in time management at all levels, reduce purchase & transaction cost and limited documentation requirement;
- iv. Many functions which are currently handled company-wise and/or division-wise can be combined, resulting into right sizing on the organization. Costs for different types of audit works including statutory audit, internal audit, cost audit, secretarial audit, Tax audit, etc. can go down upon reduction in number of legal entities;
- v. Tool is an integral part of the supply chain for the bearing cage business, amalgamation of ATPL into HEL will integrate the operations and result in business synergies and eliminate the inter-company transactions;
- vi. Upon Consolidation of business, it would help in utilisation of customer relationships and resources at single entity level. This can have a better reach in terms of various customer base and will provide a stronger market position.
- vii. The group has identified two core businesses as the key Verticals of growth – one being the Bearing cage business carried out by HEL and the other being the Solar business carried out by the HASPL (Before Merger). However, due to relatively early stages of business and constant innovation being carried out by HASPL, HASPL is currently in need of financial stability and support for sustained growth. HASPL has successfully executed prestigious projects and has gained considerable experience as qualification for execution of solar projects for which ample opportunity exists given the strong focus on renewable energy both globally as well as in India. The consolidation of the businesses as envisaged in the scheme would help HASPL to capitalise on the available opportunities in this sun rise renewable energy space. This will also provide assurance to all the stakeholders of HASPL about the continuity and sustainability of the business and it will help the group in achieving the objectives of growing both the core businesses in the cost efficient and sustainable manner as per the cultural and core values of the Group;
- viii. Reduction in various costs on account of consolidation of entities and operations during the COVID 19 pandemic which would thus provide financial stability and sustainability;
- ix. The consolidation will result in better utilisation of funds and resources within Harsha Group;
- x. Such a consolidation will thus result in strengthening the group's capability to best administer the business operations, structure the entities to support the group's growth strategy and reflect a true and fair enterprise value;

### **Consideration given by the Transferor Company 3/ Transferee Company 1 to the shareholders of the Transferor Company 1**

As per Clause 6 of the Scheme, Transferor Company 3/Transferee Company 1 is holding 100% of the equity shares of the Transferor Company 1. Accordingly, pursuant to amalgamation of Transferor Company 1 with Transferor Company 3/Transferee Company 1 equity shares held by Transferor Company 3/Transferee Company 1 in Transferor Company 1 has been cancelled and extinguished and hence, no shares of the Transferor Company 3/Transferee Company 1 has been issued and allotted.

### **Consideration given by the Transferor Company 3/ Transferee Company 1 to the shareholders of the Transferor Company 2**

As per Clause 6 of the Scheme, Transferor Company 3/Transferee Company 1 is holding 100% of the equity shares of the Transferor Company 2. Accordingly, pursuant to amalgamation of Transferor Company 2 with Transferor Company 3/Transferee Company 1 equity shares held by Transferor Company 3/Transferee Company 1 in Transferor Company 2 has been cancelled and extinguished and hence, no shares of the Transferor Company 3/Transferee Company 1 has been issued and allotted.

### **Consideration given by the Transferee Company 2 to the shareholders of the Transferor Company 3/Transferee Company 1**

The Transferee Company 2 in accordance with the Clause 17.1 of the Scheme, shall, without any further act or deed issue and allot its shares, credited as fully paid up, to the extent indicated below, to the members of Harsha Engineers Limited, whose name is recorded in the register of members of Harsha Engineers Limited as on the Record date in the following ratios

“3 (Three) Equity Shares of the Transferee Company 2 of the face value of INR 10/- (Rupees Ten Only) each, credited as fully paid-up for every 1 (One) Equity Share of INR 10/- (Rupees Ten only) each fully paid-up held by such members in the Transferor Company 3/Transferee Company 1”.

### **Consideration given by the Transferee Company 2 to the shareholders of the Transferor Company 4**

As per Clause 17 of the Scheme, Transferee Company 2 is holding 100% of the equity shares of the Transferor Company 4. Accordingly, pursuant to amalgamation of Transferor Company 4 with Transferee Company 2 on the Appointed Date, equity shares held by Transferee Company 2 in Transferor Company 4 has been cancelled and extinguished and hence, no shares of the Transferee Company 2 has been issued and allotted.

## **II. Scheme of Amalgamation of Harsha Engineers B V with Harsha Abakus Solar Private Limited**

The Board at its meeting held on 20<sup>th</sup> February 2021 approved the scheme of amalgamation (“Scheme of Amalgamation-2”) of Harsha Engineers B.V. (HEBV) with the Company and their respective shareholders and creditors in accordance with the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), relevant provisions of Memorandum of Association of the Company subject to necessary statutory approvals.

The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the appointed date as per Scheme of

Amalgamation-2, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted.

Further, Harsha Engineers Europe S.R.L in Romania is currently the subsidiary of HEBV and upon this Scheme of Amalgamation-2 becoming effective, it will become the direct subsidiary of the Company.

Currently the Scheme of Amalgamation-2 is under process at NCLT for their approval.

### **III. Change of Name of the Company**

As envisaged in the Scheme approved by NCLT vide its orders dated 23<sup>rd</sup> December 2021 and became effective from 24<sup>th</sup> December 2021, name of the Company shall stand change to "Harsha Engineers International Limited" or any other name as approved by Registrar of Companies, Ahmedabad ("ROC") by making required amendments to its Memorandum and Articles of Association."

### **IV. Conversion of Private Company into Public Company**

As envisaged in the Scheme approved by NCLT vide its orders dated 23<sup>rd</sup> December 2021 and became effective from 24<sup>th</sup> December 2021, the Company shall stand converted into Public Company by making required amendments to its Memorandum and Articles of Association.

### **V. Material Litigation**

Ganges International Private Limited ("Operational Creditor") filed a company petition bearing no. C.P. (I.B.) No. 156 of 2021 ("Petition") dated August 17, 2021 before the National Company Law Tribunal, Ahmedabad Bench, under the Insolvency and Bankruptcy Code, 2016 ("IBC"), to initiate corporate insolvency resolution process against our Company for a total alleged debt due to it of an amount of ₹ 30,855,708 (inclusive of interest thereon) for materials supplied by the Operational Creditor to our Company. The parties had entered into a Letter of Award dated November 16, 2017; and our Company had issued a purchase order dated November 11, 2017, for the supply of certain materials by the Operational Creditor. The Operational Creditor has alleged that our Company has not made payment to it for outstanding dues of ₹ 25,600,364/-. The Operational Creditor has raised a demand notice against our Company under Section 8 of the IBC read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Our Company in its affidavit-in-reply to the Petition has inter alia denied any such liability and brought attention to the failure by Ganges International, to abide by the terms and conditions of a Letter of Award dated November 16, 2017 in pursuance to which the invoices had been raised. There had been a gross and inordinate delay in delivery of materials and the materials supplied by the Operational Creditor were of sub-standard quality, forcing our Company to short close the order with them and buy the remaining material from other vendors at high prices. This had resulted in our Company having to bear huge expenses at the project site and caused delay in our projects. Our Company has averred that since the Petition has been filed after more than three years after the alleged invoices were raised, it was barred by limitation and ought to be dismissed. The matter is currently pending.

Separately, Operational Creditor had also vide a company application filed an objection to the Composite scheme of amalgamation and arrangement between Aastha Tools Private Limited and Harsha Engineers (India) Private Limited) and Harsha Engineers Limited and Helianthus Solar Power Private Limited and our Company ("Scheme") filed under Company Petition (CAA) No. 33 of 2021 for approval of the Scheme, claiming an order had been passed while sanctioning such Scheme, to hold a meeting of the unsecured creditors of our Company and that the Operational Creditor, being an unsecured creditor, had not received notice of any such meeting and that its rights were seriously prejudiced as a result of sanction of such Scheme and had accordingly, prayed that the Company Petition (CAA) No. 33 of 2021 be rejected on grounds that it had violated provisions of applicable law. The application has been disposed of vide NCLT order dated November 18, 2021.

## **SHARE CAPITAL**

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal, Ahmedabad bench vide its order 23<sup>rd</sup> December 2021 and became effective from 24<sup>th</sup> December 2021 pursuant to filing of INC 28 with RoC, the authorized share capital of the ATPL, HEIPL, HEL & HSPPL ( Transferor Companies), amounting to Rs. 20,00,000 (Rupees Twenty Lakhs Only) consisting of 20,000 (Twenty Thousand) equity shares of Rs 100/- (Rupees Hundred) each and Rs. 1,00,00,000 (Rupees One Crores Only) consisting of 10,00,000 (Ten Lakhs) equity shares of Rs 10/- (Rupees Ten) each and Rs. 35,00,00,000 (Rupees Thirty-Five Crores only) consisting of 3,50,00,000 (Three Crores and Fifty Lakhs) equity shares of Rs 10/- (Rupees Ten) each and Rs 2,00,000 (Rupees Two Lakhs only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 10/- (Rupees Ten) each respectively has been consolidated with the authorized share capital of the HASPL (Transferee Company 2) hence as a result the Authorized Share Capital of the Company has been increased from Rs. 50,00,00,000/- (Rupees Fifty Crores ) to Rs. 86,22,00,000/- (Rupees Eighty Six Crores Twenty Two Lakhs)

Also pursuant to the aforesaid Scheme the Paid-up Share Capital of the Company has been reduced from Rs. 50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores) equity shares of Rs 10/- (Rupees Ten only) each fully paid up to Rs. 5,00,00,000/- (Rupees five crores only) divided into 5,00,00,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up.

Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par.

Also pursuant to the Scheme, the Company has issued 7,22,48,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) each fully paid up to the shareholders of Harsha Engineers Limited (Transferor Company 3) on record date i.e 25<sup>th</sup> December 2021. On account of this, share capital has been increased to Rs. 77,24,84,100/- with effect from 25<sup>th</sup> December 2021.

## **DIVIDEND**

Directors do not recommend dividend for the financial year ended on 31<sup>st</sup> March, 2021.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof, there was no unpaid/unclaimed dividend declared last year/years.

## **TRANSFER TO RESERVES**

Company does not recommend transferring any amount to General Reserve for the financial year ended on 31<sup>st</sup> March, 2021.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITIONS BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT**

Except as stated in the report for Covid-19 impact and the details disclosed under the heading "Significant and Material Orders Impacting Operations of the Company in future" and there have been no material

changes and commitments which affect the financial position of the Company, that have occurred between the end of financial year to which the financial statements relates and the date of this report.

#### DETAILS OF SUBSIDIARY/HOLDING, ASSOCIATE AND JOINT VENTURE CEASED AND ACQUIRED DURING THE YEAR

Your Company has four Subsidiaries, an Associate and a Joint Venture as on date, the details of which are given below:

Sr. No.	Name & Address Of The Company	CIN/ GLN	Holding/ Subsidiary/ Associate/Joint Venture	% Of Shares Held/Capital
1	Cleanmax Harsha Solar LLP  13, A Floor 13 , Plot 400 The Peregrine Apartment, Kismat Cinema, Prabhadevi Mumbai Mumbai-400025, Maharashtra, India.	AAE-4231	Joint Venture	50%
2	HASPL Americas Corporation  7480 Birdwood Avenue, Ste 1120, Mclean-22102, Fairfax, USA.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
3	Harsha Precision Bearing Components (China) Co. Ltd.  No. 10 Fuhua Road, Bixi Sub-district, Changshu, Jiangsu, Province, China.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
4	Harsha Engineers B.V.  Strawinskylaan 937, 1077 XX Amsterdam, the Netherlands	Foreign Subsidiary	Wholly Owned Subsidiary	100%
5	Harsha Engineers Europe SRL  Str. Hermann Oberth, Nr.23, Hala 4 Parcul Industrial ICCO Ghimbav, Brasov – Romania.	Foreign Step-down Subsidiary	Step-down Subsidiary	99.9998826 % through HEBV
6	Sunstream Green Energy One Private Limited  Unit No. 28C, Nand Deep Industrial Estate 2nd Floor, Kondivita Lane, J.B. Nagar, Andheri (E) Mumbai – 400059, Maharashtra, India.	U74900MH2016PTC2 71603	Associate	26%

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order 23<sup>rd</sup> December 2021 and became effective from 24<sup>th</sup> December 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date and immediately thereafter HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Abakus Solar Private Limited (HASPL) effective from appointed date i.e 1st April 2020.

Pursuant to the Amalgamation of Harsha Engineers Limited and Helianthus Solar Power Private Limited with the Company, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL become subsidiaries of the Company with effect from 1st April 2020 i.e Appointed date.

The Board at its meeting held on 20<sup>th</sup> February 2021 approved the Scheme of Amalgamation-2 of Harsha Engineers B.V. with the Company and their respective shareholders and creditors in accordance with the provisions of Companies Act 2013 which is currently under process at NCLT for their approval.

HACM Solar LLP, Joint Venture of the Company has been dissolved on 21<sup>st</sup> October 2021 and name has been struck off from the ROC.

During the year under review, the Board of Directors reviewed the affairs of subsidiaries, associate and joint venture. In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the company and all its subsidiaries, which form part of the Annual Report. Further a statement containing the salient features of the financial statements of our subsidiaries associate and joint venture in the prescribed format AOC-1 is appended as **Annexure- A**.

## DIRECTORS

In accordance with the provisions of Section 152 of Companies Act, 2013 read with provisions of the Articles of Association of the Company, Shri Rajendra Shah (DIN: 00061922) and Shri Harish Rangwala (DIN: 00278062) Directors of the Company will liable to retire by rotation at the ensuing Annual General Meeting, being eligible for re-appointment and both offer himself for the same. A brief resume and particulars relating to them are given separately under the **Annexure-B**.

Your Directors expressed their profound grief on the sad demise of Late Shri Munjal Rangwala as Founder Promoter and Whole time Director of the Company on 20<sup>th</sup> March 2021. The Board expressed its heartfelt condolence to Shri Harish Rangwala, Shri. Vishal Rangwala and their other family members to bear the irreparable loss. The Board paid glowing tribute to them and put on record highest appreciation of his association with the Company.

During the year following changes has been made in the Company, Harsha Engineers Limited (Transferor Company 3/Transferee Company 1), Aastha Tools Private Limited (Transferor Company 1), Harsha Engineers (India) Private Limited (Transferor Company 2) and Helianthus Solar Power Private Ltd (Transferor Company 4) as on 31<sup>st</sup> March, 2021:

### Harsha Abakus Solar Private Limited

Sr. No.	Name of the Director	Date of Change	Appointment/Resignation/ Change in Designation
1	Late Shri Munjal Rangwala	20th March 2021	Ceased to be director due to sudden demise

#### Note:

1. Shri Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
2. Mr Harish Rangwala is appointed as Managing Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.

3. *Shri Vishal Rangwala is appointed as Additional Director of the company with effect from 12<sup>th</sup> August, 2021. He also appointed as CEO and Whole time Director with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.*
4. *Shri Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.*
5. *Ms Hetal Ukani has been appointed as Additional Director with effect from 12<sup>th</sup> August 2021. She also appointed as Whole time Director with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.*
6. *Due to sudden demise of Shri Munjal Rangwala on 20th March, 2021, ceased from the position of director from Company with effect from 20<sup>th</sup> March 2021.*
7. *Shri Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25<sup>th</sup> December 2021.*

#### **Harsha Engineers Limited (Transferor Company 3/Transferee Company 1)**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Change</b>	<b>Appointment/Resignation/ Change in Designation</b>
1	Shri Rajendra Shah	1st August 2020	Re-appointed as a Whole Time Director of the Company for a term of three year
	Shri Rajendra Shah	20th February 2021	Ceased to be CEO
2	Shri Harish Rangwala	1st August 2020	Re-appointed as a Managing Director of the Company for a term of three year
3	Shri Vishal Rangwala	1st August 2020	Re-appointed as a Whole Time Director of the Company for a term of three year
	Shri Vishal Rangwala	20th February 2021	Appointed as CEO
4	Late Shri Munjal Rangwala	20th March 2021	Ceased to be director due to sudden demise
5	Ms Hetal Ukani	21st September 2020	Regularisation as Director
	Ms Hetal Ukani	21st September 2020	Appointed as Whole-time Director for a term of 3 years

#### **Aastha Tool Private Limited (Transferor Company 1)**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Change</b>	<b>Appointment/Resignation/ Change in Designation</b>
1	Ms Hetal Ukani	10 <sup>th</sup> September 2020	Regularisation as Director

#### **Helianthus Solar Power Private Limited (Transferor Company 4)**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Change</b>	<b>Appointment/Resignation/ Change in Designation</b>
1	Late Shri Munjal Rangwala	20 <sup>th</sup> March 2021	Ceased to be director due to sudden demise
2	Shri Vishal Rangwala	26 <sup>th</sup> March 2021	Appointed as Additional Director

#### **KEY MANAGERIAL PERSONNEL (KMP)**

Pursuant to provisions of Section 2(51) and 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons



are/were acting as Key Managerial Personnel (KMP) of the Company and Harsha Engineers Limited (Transferor Company) as on 31<sup>st</sup> March, 2021.

### Harsha Abakus Solar Private Limited

Sr. No.	Name of the Director	Date of Change	Appointment/Resignation/ Change in Designation
1	Late Shri Munjal Rangwala	20 <sup>th</sup> March 2021	Ceased to be director due to sudden demise
2	Ms. Aastha Upadhyay	15 <sup>th</sup> March 2021	Resigned from the position of Company Secretary

**Note:**

1. Due to sudden demise of Shri Munjal Rangwala on 20<sup>th</sup> March, 2021, ceased from the position of director from Company with effect from 20<sup>th</sup> March 2021.
2. Shri Maulik Jasani is appointed as Chief Financial Officer of the company with effect from 25<sup>th</sup> December 2021 .
3. Shri Falgun Shah has vacated from the position of Chief Financial Officer with effect from 25<sup>th</sup> December 2021 .
4. Shri Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from 12<sup>th</sup> August, 2021.
5. Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from 15<sup>th</sup> March, 2021.
6. Shri Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
7. Shri Harish Rangwala is appointed as Managing Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
8. Shri Vishal Rangwala is appointed as CEO and Whole time Director with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
9. Shri Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
10. Ms Hetal Ukani is appointed as Whole time Director with effect from 25<sup>th</sup> December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.

### Harsha Engineers Limited (Transferor Company)

Sr. No.	Name of the Director	Date of Change	Appointment/Resignation/ Change in Designation
1	Shri Rajendra Shah	1 <sup>st</sup> August 2020	Re-appointed as a Whole Time Director of the Company for a term of three year
	Shri Rajendra Shah	20 <sup>th</sup> February 2021	Ceased to be CEO
2	Shri Harish Rangwala	1 <sup>st</sup> August 2020	Re-appointed as a Managing Director Director of the Company for a term of three year
3	Shri Vishal Rangwala	1 <sup>st</sup> August 2020	Re-appointed as a Whole Time Director of the Company for a term of three year
	Shri Vishal Rangwala	20 <sup>th</sup> February 2021	Appointed as CEO
5	Ms Hetal Ukani	21 <sup>st</sup> September 2020	Appointed as Whole-time Director for a term of 3 years

Except the above mentioned, there was no appointment, resignation or change in designation of the Key Managerial Personnel (KMP).

## DEPOSIT

During the year the Company neither accepted nor invited any deposit from public, falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. However, Harsha Engineers Limited (Transferor Company), has accepted deposits under the provisions of the Companies Act, 2013, as per below details:

### Harsha Engineers Limited (Transferor Company)

During the year under review, Harsha Engineers Limited (Transferor Company) has accepted deposits under the provisions of the Companies Act, 2013, details of which are given below:

<b>(Rs. In Lakhs)</b>	
<b>Particulars</b>	<b>Deposits</b>
Deposits at the beginning of the financial year	
i) Principal Amount	755
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
<b>Total (i+ii+iii)</b>	<b>755</b>
Change in Deposits during the financial year	
• Addition	17
• Reduction	110
<b>Net Change</b>	<b>(93)</b>
Deposits at the end of the financial year	
i) Principal Amount	661
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
<b>Total (i+ii+iii)</b>	<b>661</b>

## NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 10 times during the Financial Year 2020-21. All the Board Meetings were held as per Section 173 of Companies Act, 2013 with all the relevant rules & regulations related to that and also Secretarial Standard -1 (Board Meeting) is duly Complied with. The dates on which the meetings were held are as follows:

<b>No. of Board Meetings Held</b>	<b>Date of Board Meetings</b>	<b>Name of Directors who attended the Meetings</b>
1	15 <sup>th</sup> May, 2020	All the Directors were present.
2	7 <sup>th</sup> July, 2020	All the Directors were present.
3	30 <sup>th</sup> September, 2020	All the Directors were present.
4	27 <sup>th</sup> October, 2020	All the Directors were present.
5	25 <sup>th</sup> November, 2020	All the Directors were present.

6	8 <sup>th</sup> January, 2021	All the Directors were present.
7	22 <sup>nd</sup> January, 2021	All the Directors were present.
8	18 <sup>th</sup> February, 2021	All the Directors were present except Shri Rajendra Shah & Shri Pilak Shah.
9	20 <sup>th</sup> February, 2021	All the Directors were present except Shri Rajendra Shah & Shri Pilak Shah.
10	26 <sup>th</sup> March, 2021	All the Directors were present except Shri Munjal Rangwala due to sudden demise on 20 <sup>th</sup> March, 2021.

## **INDEPENDENT DIRECTOR**

The Company has complied with the definition of Independence according to the Provisions of section 149(6) Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

### *Note:*

1. *Shri Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25<sup>th</sup> December, 2021.*

## **RELATED PARTY TRANSACTION**

All Related Party Transactions that were entered into during the Financial Year 2020-21 were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions and a statement giving details of all Related Party Transactions is placed before the Board of Directors for their approval.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form No. AOC-2 which is annexed herewith as **Annexure - F** to this report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is available on <https://harshaengineers.com>

## **PARTICULARS OF LOANS, GUARANTEE 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.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the same period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

## **AUDITORS AND AUDITORS' REPORT**

### **I. Statutory Auditor**

M/s. C. P. Shah & Co., Chartered Accountants, Ahmedabad, (FRN: 109526W), had resigned as Statutory Auditors of the Company effective from 12<sup>th</sup> August 2021 who had been appointed as Statutory Auditors for five years at the 10<sup>th</sup> Annual General Meeting of the Company. M/s Pankaj R. Shah & Associates, Chartered Accountants, Ahmedabad (FRN:107361W) has been appointed as Statutory Auditors of the Company for the financial year ended on 31<sup>st</sup> March 2021 who shall hold office till the conclusion of the ensuing Annual General Meeting. Subject to the consent of the shareholder in the ensuing Annual General Meeting, M/s Pankaj R. Shah & Associates, Chartered Accountants shall be appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 11<sup>th</sup> Annual General Meeting until the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company.

As required under Section 139 of the Companies Act, 2013, the Company has received a written consent from M/s Pankaj R. Shah & Associates, Chartered Accountants, Ahmedabad (FRN:107361W) for such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made thereunder.

### **II. Cost Auditor**

M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration Number: 000025) were appointed as Cost Auditors to carry out the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021 at same terms as agreed by HEL (Transferor Company 3/Transferee Company 1).

### **III. Secretarial Auditor**

M/s Chirag Shah & Associates, Company Secretaries, Ahmedabad were appointed as Secretarial Auditors to carry out Secretarial Audit of the Company for the financial year ending 31<sup>st</sup> March 2021. According to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is enclosed as a part of this report **Annexure-C**.

The observations and comments, appearing in the Secretarial Auditor's Report are self-explanatory and do not call for any further comments. The Secretarial Auditor's Report does not contain any qualification, reservation or adverse remarks.

#### **IV. Internal Auditor**

Your Company has appointed M/s. Talati & Talati (FRN: 110758W), Chartered Accountants and M/s MAR & Co. (FRN:138633W), Chartered Accountants, as the Internal Auditor of the Company for Engineering business division and Solar EPC business division respectively. The Board of Directors of the Company in consultation with the Internal Auditors formulated the scope, functioning, periodicity and methodology for conducting the Internal Audit.

#### **INSURANCE**

The Company has taken adequate insurance cover of all movable & immovable assets (except Land) to cover various type of risks.

#### **CREDIT RATING**

The Company's rating has been assigned by CARE Ratings Limited for its long-term bank facilities and long- term/short-terms bank facilities.

##### **For Engineering Business Division**

The Company has been awarded "CARE A+(CWD) (under Credit Watch with Developing Implications) and "CARE A+(CWD) / CARE A1+(CWD) (under Credit Watch with Developing Implications), for its long-term bank facilities of Rs 126.59 crores and long-term/ short-terms bank facilities of Rs 315 crores respectively.

##### **For Solar Business Division**

The Company has been awarded "CARE BB(CWP) (Double B) (under Credit Watch with Positive Implications)"; and "CARE BB(CWP)/CARE A4(CWP)( Double B/A Four) (under Credit Watch with Positive implications)" rating to the Company for Long term Bank Facilities of Rs 10.50 Cr and Long-term/Short-term Bank Credit facilities of Rs 69.57 cr respectively.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is given in the "**Annexure-D**".

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

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder your Company has adopted a policy for CSR and the Board has constituted a Committee for implementing the CSR activities. Composition of the Committee and other details are given in the "**Annexure- E**".

However, the Company is not qualified for CSR under the Companies Act 2013 for the financial year 2020-21 in accordance with eligibility criteria provided therein as per the preceding financial year 2019-20. The projects undertaken by the Harsha Engineers Limited (Transferor Company) in accordance with Schedule VII of the Companies Act, 2013 and the report on such CSR activities is given in "Annexure E", forming part of this report.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees and Directors of the Company are furnished hereunder:

- No Employee employed having remuneration aggregating Rs. 102 Lakhs p.a. during the Financial Year 2020-2021.
- No Employee employed having remuneration aggregating Rs. 8.50 Lakhs p.m. during the Financial Year 2020-2021.

## **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

A 'Prevention of Sexual Harassment' (POSH) policy is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH policy is communicated to all employees of the Company. During the year 2020-21, no complaints in respect of the same has been received by the Company.

## **RISK MANAGEMENT POLICY**

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at the Company level as well as for business segments.

<b>Key Risk</b>	<b>Impact to the Company</b>	<b>Mitigation Plans</b>
<b>Commodity Price Risk</b>	Risk of Price Fluctuation on basic Purchases and their related Services for Solar Power Projects.	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.
<b>Interest Rate Risk</b>	Any increase in interest rate can affect the finance cost.	The Company has been managing the interest rate risk with the help of reduction in dependency on fluctuating interest rate loans.

<b>Foreign Exchange Risk</b>	The Company imports various materials. Any volatility in the currency market can impact the overall profitability.	The Company is taking enough care during costing stage. Also the company is tracking currency fluctuation on regular basis to take timely and necessary steps to hedge open position on foreign currency transactions.
<b>Human Resource Risk</b>	The Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Non-availability of the required talent resource can affect the overall performance of the Company.	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place performance incentives on time bound basis and evaluating the performance at each stage of work helps to mitigate this risk.
<b>Competition Risk</b>	The Company is always exposed to competition Risk. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company by focusing on design, quality, cost, timely delivery, market share enhancement and customer service to mitigate the risks so involved.
<b>Compliance Risk - Increasing Regulatory Requirements</b>	Any default can attract penal provisions.	By regularly monitoring and review of changes in regulatory framework and by monitoring of compliance through legal compliance Management tools and internal control system.
<b>Industrial Safety</b>	The industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.	By development and implementation of critical safety standards across the various project locations, establishing training need identification at each level of employees helps to mitigate the risk so involved.

## **VIGIL MECHANISM / WHISTLE BLOWER**

Pursuant to the provisions of Companies Act, 2013 and rules made thereunder, the Company has a framed and adopted vigil mechanism policy to deal with instance of fraud and mismanagement, if any. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

## **INTERNAL FINANCIAL CONTROLS**

Your Company has implemented Internal Financial Controls over Financial Reporting through policies, procedures and guidelines. The approved Schedule of Powers are used to control the approval process for various activities, based on hierarchical value limits. A combination of these systems will enable your Company to maintain a robust design of controls and its operating effectiveness is ensured from time to time through internal checks and audit.

The Statutory Auditor of your Company has also given an opinion that the Internal Financial Controls over Financial Reporting are adequate and are operating effectively at the end of the Financial Year.

## NOTES TO ACCOUNTS

The notes forming part of the accounts are self-explanatory and therefore, do not call for any further comments. **Annexure-A to Annexure-F** forms part of this Report.

## ACKNOWLEDGEMENT

The Directors are thankful for the co-operation and assistance received from the Financial Institutions, Bankers, Collaborators, Central and State Government Departments, Local Authorities and Employees of the Company.

### Registered Office:

NH - 8A, Sarkhej - Bavla Highway,  
Changodar, Ahmedabad - 382 213,  
Gujarat, India.


CIN : U29307GJ2010PTC063233

Email ID : sec@harshaengineers.com

Website: www.harshaengineers.com

### By Order of the Board of Directors

Rajendra Shah



Chairman & Whole-  
time Director

DIN: 00061922

December 25, 2021

Harish Rangwala



Managing Director

DIN : 00278062

December 25, 2021



**BOARD'S REPORT ANNEXURE-A**

**FORM NO. AOC.1 Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**(Pursuant to First Proviso to Sub Section (3) of Section 129 of the Companies Act, 2013, Read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC 1)**

Name of subsidiary	Reporting period for the concerned subsidiary company, if different from that of holding company reporting period	Reporting currency and exchange rate as on the last date of relevant financial year in case of foreign subsidiary companies		Share Capital	Reserve & Surplus	Total Assets	Total Liabilities (Excluding Share Capital & Reserves and Surplus)	Investments	Turnover(*)	Profit/(Loss) Before Tax(*)	Provision for Tax(*)	Profit/(Loss) After Tax(*)	% of Share Holding/Capital Contribution
		Currency	Exchange Rate										
Sunstream Green Energy One Private Limited	N.A.	INR	N.A.	1	100.38	542.74	441.36	173.59	7.53	2.29	0.59	1.69	26%
Cleanmax Harsha Solar LLP	N.A.	INR	N.A.	1281.85	-	1608.90	327.05	-	323.39	(22.52)	(25.65)	3.14	50%
HASPL Americas Corporation	N.A.	INR	N.A.	66.62	(66.48)	0.15	-	-	-	(66.48)	-	(66.48)	100%
Harsha Precision Bearing Components (China) Co. Ltd	N.A.	RMB	11.1709 (For B/S)/10.9637 (For P&L)	17300.53	(10135.44)	13319.78	6154.68	-	8921.41	648.52	-	648.52	100%

Harsha Engineers B.V	N.A.	EUR	85,8370 (for B/S)/86.5963 (For P&L)	11904.47 6	(468,94)	12570.87	1135.34	12397.86	250.08	8.85	-	8.85	100%
Harsha Engineers Europe SRL	N.A.	RON	17,4600 (for B/S)/17,8365(For P&L)	2975.26	(2194.04)	10548.93	9767.71	-	20835.38	142.90	-	142.90	99.99 98826 % by Harsha Engineers BV

**Notes:**

- Proposed dividend from any of the subsidiaries is Nil.
- Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order 23<sup>rd</sup> December 2021 and became effective from 24<sup>th</sup> December 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date and immediately thereafter HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Abakus Solar Private Limited (HASPL) effective from appointed date i.e 1st April 2020.
- Pursuant to the Amalgamation of Harsha Engineers Limited and Helianthus Solar Power Private Limited with the Company, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL become subsidiaries of the Company with effect from 1st April 2020 i.e Appointed date.
- The Board at its meeting held on 20th February 2021 approved the Scheme of Amalgamation 2 of Harsha Engineers B.V. with the Company and their respective shareholders and creditors in accordance with the provisions of Companies Act 2013 which is currently under process.
- HACM Solar LLP, Joint Venture of the Company has been dissolved on 21st October 2021 and name has been struck off from the ROC.

**BOARD'S REPORT  
PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT IN  
11<sup>TH</sup> ANNUAL GENERAL MEETING**

Name	<b>Shri Rajen</b>
Father Name	Shri Shanti
Date of Birth	01/02/194
Director Identification Number	00061922
Qualification	B.E.(Mech.
Occupation	Business
Association	Appointed
Designation	Director
Shareholding in the Company	9,976,614
Directorship	Harsha Abakus Solar Private Limited Harsha Renewable Energy Private limited# Welcast Steel AIA Engine Transformers Dishman Components Changodar

Name	<b>Shri Haris</b>
Father Name	Shri Ranjit
Date of Birth	01/08/194
Director Identification Number	00278062
Qualification	B.E.(Mech.
Occupation	Business
Association	Since Incorporation
Designation	Director
Shareholding in the Company	13,255,348
Directorship	Harsha Abakus Solar Private Limited Harsha Renewable Energy Private Limited# Daylight Solar First Light HACM Solar Cleanmax Harsha Energy

#Harsha Renewable Energy Private Ltd has filed the documents which is currently under process.

\*HACM Solar LLP, Joint Venture of the Company has been struck off from the ROC.

**RE-APPOINTMENT/RE-APPOINTMENT IN  
11<sup>TH</sup> ANNUAL GENERAL MEETING**

Name	
Father Name	
Date of Birth	
Director Identification Number	
Qualification	at University
Occupation	
Association	in the company w.e.f. 6 <sup>th</sup> May, 2011
Designation	
Shareholding in the Company	es (19.95%)
Directorship	Private Limited Energy Private limited# l ed ifiers (India) Limited acis Limited iro Projects Association

Name	<b>a</b>
Father Name	
Date of Birth	
Director Identification Number	
Qualification	rat University
Occupation	
Association	with Company
Designation	
Shareholding in the Company	ares (26.51%)
Directorship	Private Limited Energy Private Limited# Limited agement Private Limited r LLP ope SRL, Romania

1. Proposed dividend from any of the subsidiaries is Nil.  
or striking off the name on 19<sup>th</sup> October 2021  
l on 21<sup>st</sup> October 2021 and name has been

Notes:

**BOARD'S REPORT ANNEXURE- C**

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**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
CIN: U29259GJ1986PLC008520  
Changodar,  
Sarkhej-bavla road,  
Po changodar,  
Ahmedabad- 382213

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARSHA ABAKUS SOLAR PRIVATE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;- **Not Applicable to the company during the Audit period**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:-**Not Applicable to the company during the Audit period;**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:-**Not Applicable to the company during the Audit period;**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:- **Not Applicable to the company during the Audit period;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- **Not Applicable to the company during the Audit period;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:- **Not Applicable to the company during the Audit period;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:- **Not Applicable to the company during the Audit period;** and
- i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

(vi) No Laws specifically applicable to the industry to which the company belongs, as Identified by the management;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

We further report that The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), vide its Orders dated 23<sup>rd</sup> December, 2021 approved the Composite Scheme of Amalgamation and Arrangement as per below manner.

1. Amalgamation of Aastha Tools Private Limited (ATPL) and Harsha Engineers (India) Private Limited (HEIPL) into the Harsha Engineers Limited (HEL) and their respective Shareholders and Creditors.

2. Amalgamation of Harsha Engineers Limited and Helianthus Solar Power Private Limited (HSPPL) into Harsha Abakus Solar Private Limited (HASPL) and their respective Shareholders and Creditor.
3. The Paid-up Share Capital of the Company has been reduced from Rs. 50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores) equity shares of Rs 10/- (Rupees Ten only) each fully paid up to Rs. 5,00,00,000/- (Rupees five crores only) divided into 5,00,00,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par..
4. pursuant to Composite Scheme of Amalgamation and Arrangement, the Company has issued 7,22,48,400 (Seven Crores Two Lakhs Forty-Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3) on 25th December, 2021.

Place: Ahmedabad  
Date: 25<sup>th</sup> December, 2021.

Chirag Shah  
Partner  
Chirag Shah and Associates  
FCS No. 5545  
C P No.: 3498  
UDIN: F005545C001921195

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**'Annexure A'**

To,  
The Members,  
**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

**Disclaimer**

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

Place: Ahmedabad  
Date: 25<sup>th</sup> December, 2021

Chirag Shah  
Partner  
Chirag Shah and Associates  
FCS No. 5545  
C P No.: 3498

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder.

**A. Form for Disclosure of Particulars with respect to Conservation of Energy**

**1. Steps taken or impact on conservation of energy**

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company is undertaking such production process that results into very minor pollutant emissions. Various energy efficient practices have been implemented that have reduced the pollutant emissions and strengthened the Company's commitment towards becoming an environment friendly organization.

**2. Steps taken by company for utilising alternate source of energy**

The Company has already developed its own solar power projects and wind mill project to utilise the energy generated through it as an alternate source of energy resource.

**3. Capital investment on energy conservation equipment's**

In FY 2018-2019 the Company has installed and commissioned 720 KW and 854.8 KW Capacity Rooftop Solar Plant at Changodar and Moraiya Plant respectively.

**B. Form for disclosure of particulars with respect to absorption:**

**I. Technology, absorption, adaptation and innovation**

**1. Efforts in brief made towards technology adaptation and innovation:**

Products and processes developed through in-house R&D activities have been internally absorbed by the manufacturing units for commercialization.

**2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.**

The efforts made by design and automation activities helped for the augmentation of company's product range in targeted market segments leading the customer acquisition/retention, increased the competitiveness and customer satisfaction and helped to give an edge over other competitors.

**C. Foreign Exchange Earning and Outgo**

**1. Activity relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:-**

Management has taken various initiatives to increase the exports and the development of the new markets for the products of the company.



## **2. Foreign Exchange earned and used**

Foreign Exchange inflow and outflow by the company during the year amounts to Rs. 29,399 Lakhs and Rs. 3,805 Lakhs respectively.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT**

**(i) CSR Policy & Philosophy**

Corporate Social Responsibility ("CSR") is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at Harsha Abakus Solar Private Limited ("Company") and forms an integral part of our activities. Being a responsible corporate citizen, Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company and the broader community.

Company's objective is to pro-actively support meaningful socio-economic development. The Company works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Company has set up the Corporate Social Responsibility Policy (the "CSR Policy") that sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

Detailed CSR policy is available on <http://www.harshaengineers.com>

**(ii) CSR Committee**

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, the Board shall constitute the CSR Committee with three or more directors, out of which at least one Director shall be an Independent Director.

The Committee comprises the following members:

<b>Name of Directors</b>	<b>Designation</b>
Shri Harish Rangwala	Chairman
Late Shri Munjal Rangwala*	Member
Shri Dilip J Sanghvi#	Member

*\*Sudden demise of Shri Munjal Rangwala on 20<sup>th</sup> March, 2021*

*# Shri Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25<sup>th</sup> December 2021.*

**(iii) Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

- The composition of the CSR committee is available on our website, at <http://www.harshaengineers.com>

- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <http://www.harshaengineers.com>
- The Board, based on the recommendation of the CSR committee, at its meeting held on April 14, 2021, has approved the annual action plan / projects for fiscal 2022, the details of which are available on our website, at <http://www.harshaengineers.com>

**(iv)** Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: **Not Applicable**

**(v) CSR Budget and Obligation**

a. Average net profit of the company for last three financial years	The Company is not qualified for CSR under the Companies Act 2013 for the financial year 2020-21 in accordance with eligibility criteria provided therein as per the preceding financial year 2019-20.
b. Prescribed CSR Expenditure (2% of the amount as above)	
c. Surplus arising out of the CSR projects or programs or activities of the previous financial year	
d. Amount required to be set-off for the financial year, if any	
Total CSR obligation for the financial year (b+c-d)	

**(vi) CSR amount spent or unspent for the financial year**

Total amount spent for the F.Y.2020-21	The Company is not qualified for CSR under the Companies Act 2013 for the financial year 2020-21 in accordance with eligibility criteria provided therein as per the preceding financial year 2019-20. Refer Note 1 to 3
Amount unspent, if any;	
Total amount transferred to Unspent CSR Account as per Section 135(6)	
Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	

- (vii)** Amount spent in Administrative Overheads: NIL  
**(viii)** Amount spent on Impact Assessment, if applicable: NIL  
**(ix)** Total amount spent for the financial year): Refer Note 1  
**(x)** Excess amount for set off, if any: Refer Note 3  
**(xi)** Details of Unspent CSR amount for the preceding three financial years: Not Applicable\*

\* Since the provisions of Section 135(6) of the Act are effective from January 22, 2021, it is not applicable.

**(xii)** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Not Applicable

**Note**

1. Details of CSR amount spent by Harsha Engineers Limited (HEL or Transferor Company 3/Transferee Company 1) for the Financial Year 2020-21. It may be noted that as per the Scheme approved by the NCLT, Ahmedabad Bench dated 23rd December 2021 and became effective from 24th December 2021, the CSR spent by Harsha Engineers Limited from 01st April 2020 being the Appointed Date for the Scheme would be deemed to be the CSR spent with respect to the merged entity i.e Harsha Abakus Solar Private Limited.

Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Amount spent for the project (in Lakhs).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
							Name	CSR Registration number
1.	Anandham-Welfare of Mentally Challenged People	Schedule VII(ii)	Yes	Ahmedabad, Gujarat	330	No	Aastha Charitable Trust for Welfare of the Mentally Challenged	CSR0002020
2	Dry ration kit to persons with disabilities during covid-19 pandemic	Schedule VII(i)	Yes	Ahmedabad, Gujarat	1.5	No	Blind People's Association (India)	CSR00000936
3	Swabhiman - to support girl child education	Schedule VII(ii)	No	New Delhi	0.32	No	Smile Foundation	Not Available with us

2. Total amount spent for the financial year): Rs 331.82 Lakhs
3. Excess amount for set off, if any: Rs 169.50 Lakhs. Refer below table

Sr No.	Particular	Amount (Rs in Lakhs)
b.	Average net profit of HEL for last three financial years	8115.85
c.	Prescribed CSR Expenditure (2% of the amount as above)	162.32
d.	Total amount spent by HEL for the F.Y.2020-	331.82
e.	Excess amount spent for the financial year	169.50
f.	Surplus arising out of the CSR projects or programs or activities of the previous financial year	NIL
g.	Amount required to be set-off in succeeding financial year, if any	169.50

Note - Since the merged entity, was not eligible for CSR spent for the year 2020-21, the excess CSR spent by the Transferor Company (as per above table) would be treated as surplus and shall be available for next year.

**BOARD'S REPORT ANNEXURE- F****RELATED PARTY TRANSACTIONS****FORM AOC-2**

**(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014**

(A) Details of Contracts or Arrangements or Transactions not at arm's length basis: NIL

(B) Details of Contracts or Arrangements or Transactions at arm's length basis:

Name of related party & nature of relationship	Harsha Precision Bearing Components (China) Co. Ltd. (Subsidiary Company of Harsha Engineers Limited )
Nature of contracts/arrangements/transactions	Purchase and Sale of Goods, Service or Materials Interest Income
Duration of Contracts/ arrangements/ transactions	On Ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company) 13th August, 2020 (By Board of Directors of Aastha Tools Private Limited - Transferor Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Harsha Engineers B.V (Subsidiary Company of Harsha Engineers Limited)
Nature of contracts/arrangements/transactions	Investment/Loan
Duration of Contracts/ arrangements/ transactions	On Ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Harsha Engineers Europe SRL (Step-Down Subsidiary of Harsha Engineers Limited)
Nature of contracts/arrangements/transactions	Purchase and Sale of Goods, Service or Materials and Reimbursement
Duration of Contracts/ arrangements/ transactions	On ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company)

Amount paid as advance, if any	-
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Name of related party & nature of relationship	HASPL Americas Corporation (Subsidiary of the Company)
Nature of contracts/arrangements/transactions	Investment
Duration of Contracts/ arrangements/ transactions	On Ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	15th May, 2020 (By Board of Directors Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Cleanmax Harsha Solar LLP (JV of the Company)
Nature of contracts/arrangements/transactions	Sale of Goods, Reimbursement Expense, Share Profit from LLP
Duration of Contracts/ arrangements/ transactions	-
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	15th May, 2020 (By Board of Directors Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Directors of the company
Nature of contracts/arrangements/transactions	Unsecured loan from the Directors of the Company, Remuneration, Interest on loan
Duration of Contracts/ arrangements/ transactions	On Ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company) 15th May, 2020 (By Board of Directors Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Relatives of Directors of the company
Nature of contracts/arrangements/transactions	Unsecured loan from the relative of Directors of the Company
Duration of Contracts/ arrangements/ transactions	On Ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company) 15th May, 2020 (By Board of Directors Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	KMP of the company
Nature of contracts/arrangements/transactions	Unsecured loan from the Directors of the Company, Remuneration, Interest on loan
Duration of Contracts/ arrangements/ transactions	On ongoing basis
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company) 15th May, 2020 (By Board of Directors of the Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Crest Creative Unit
Nature of contracts/arrangements/transactions	Purchase and Sale of Goods, Service or Materials,
Duration of Contracts/ arrangements/ transactions	-
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Sunstream Green Energy One Private Limited
Nature of contracts/arrangements/transactions	Investment
Duration of Contracts/ arrangements/ transactions	-
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	7th July 2020 (By Board of Directors of the Company)
Amount paid as advance, if any	-

Name of related party & nature of relationship	Aastha Charitable Trust for Welfare Mentally Challenged
Nature of contracts/arrangements/transactions	Purchase and Sale of Goods, Service or Materials or CSR
Duration of Contracts/ arrangements/ transactions	-
Salient terms of the contracts/arrangement/transactions including the value, if any	Any contracts/arrangement/transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	14th August, 2020 (By Board of Directors of Harsha Engineers Limited - Transferor Company)
Amount paid as advance, if any	-



**BOARD'S REPORT ANNEXURE- G****EXTRACT OF ANNUAL RETURN  
FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

**Financial Year ended on 31.03.2021**

<b>I. REGISTRATION &amp; OTHER DETAILS :</b>			
i	CIN	:	U29307GJ2010PTC063233
ii	Registration Date	:	11 <sup>th</sup> December, 2010
iii	Name of the Company	:	Harsha Abakus Solar Private Limited
iv	Category /sub category of the company	:	Company Limited by Shares
v	Address of the Registered office & contact details	:	NH-8A, Sarkhej - Bavla Highway, Changodar, Ahmedabad, Gujarat, India - 382213. Tel. No. : 079-2717618200, Fax No. 91-2717-618259 Email-Id:-sec@harshaengineers.com Website:-www.harshaengineers.com
vi	Whether listed company	:	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, any.	:	N.A

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
<b>All the business activities contributing 10% or more of the total turnover of the company shall be stated</b>			
<b>Sr. No</b>	<b>Name &amp; Description of main products/ services</b>	<b>NIC Code of the Products/ Service</b>	<b>% to total turnover of the Company</b>
1	Bearing cages, Brass Casting and Automotive Components	2814	97%
2	EPC and O & M of Solar Power Plant	42201	3%

@As per NIC - 2008

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES:</b>					
<b>SR. NO</b>	<b>NAME &amp; ADDRESS OF THE COMPANY *</b>	<b>CIN/ GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>
1	Harsha Precision Bearing Components (China) Co. Ltd  No. 10 Fuhua Road, Bixi Sub - District, Changshu, Jiangsu Province, China.	Foreign Subsidiary	Subsidiary	100%	2(87)
2	Harsha Engineers B.V (HEBV)  Strawinskylaan 937, 1077 XX Amsterdam, the Netherland	Foreign Subsidiary	Subsidiary	100%	2(87)
3	Harsha Engineers Europe SRL	Foreign Step-	Step-down	99.99984	2(87)

	(HEESRL) Str, Hermann Oberth Nr. 23 Hala 4 Ghimbav 507075, Brasov, Romania.	down Subsidiary	Subsidiary	% through HEBV	
4	HASPL Americas Corporation 7480 Birdwood Avenue, Ste 1120, McLean-22102, Fairfax, USA.	Foreign Subsidiary	Subsidiary	100%	2(87)
5	Cleanmax Harsha Solar LLP 13, A Floor 13 , Plot 400 The Peregrine Apartment, Kismat Cinema, Prabhadevi Mumbai- 400025, Maharashtra, India.	AAE-4231	Joint Venture	50%	2(6)
6	Sunstream Green Energy One Private Limited Unit No. 28C, Nand Deep Industrial Estate 2nd Floor, Kondivita Lane, J.B. Nagar, Andheri (E) Mumbai – 400059, Maharashtra, India.	U74900MH201 6PTC271603	Associates	26%	2(6)

Note:

1. Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order 23rd December 2021 and became effective from 24th December 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date and HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Abakus Solar Private Limited (HASPL) effective from appointed date i.e 1st April 2020.
2. Pursuant to the Amalgamation of Harsha Engineers Limited and Helianthus Solar Power Private Limited with the Company, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL become subsidiaries of the Company with effect from 1st April 2020 i.e Appointed date.
3. The Board at its meeting held on 20th February 2021 approved the Scheme of Amalgamation-2 of Harsha Engineers B.V. with the Company and their respective shareholders and creditors in accordance with the provisions of Companies Act 2013 which is currently under process.
4. HACM Solar LLP, Joint Venture of the Company has been dissolved on 21st October 2021 and name has been struck off from the ROC.





**SHAREHOLDING OF PROMOTERS**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year			Change in shareholding during the year	
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of shares	
1	Rajendra Shah	8,999,850	18	-	9,976,614	20	-	976,764	2	
2	Vishal Rangwala	2,999,850	6	-	498,281	1	-	(2,501,569)	(5)	
3	Pilak Shah	10,999,900	22	-	4,982,809	10	-	(6,017,091)	(12)	
4	Harish Rangwala	12,999,900	26	-	13,255,348	26	-	255,448	1	
5	Munjial Rangwala	6,999,850	14	-	1,494,843	3	-	(5,505,007)	(11)	
	Total	42999350	86	-	30207895	60	-	(12791455)	(26)	

**CHANGE IN PROMOTERS' SHAREHOLDING**

Sr. No.	Particulars	Shareholding		Cumulative shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	42999350	86	42999350	86
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Changes in shareholding of the company due to transmission and transfer on 12/11/2020 and 18/02/2021 respectively.			
3	At the end of the year	30207895	60	30207895	60

**SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Charusheela Harish Rangwala	1,999,900	4	8,679,792	17
2	Nirmala Rajendra Shah*	2,999,850	6	7,473,799	15
3	Vaishali Pilak Shah	499,975	1	1,245,702	2
4	Mili Yashpal Mehta	499,975	1	-	-
5	Hetal B. Ukani	499,975	1	-	-
6	Krina Rajendra Shah*	499,975	1	-	-
7	Hetal B. Ukani jointly with Nirmala Rajendra Shah	-	-	1,245,707	2
8	Dhirajlal Chunilal Bhatt jointly with Harihar Dhirajlal Bhatt and Nayana H Bhatt	-	-	149,484	0
9	Tanvi V. Rangwala	-	-	996,566	2
10	Pilak Shah Family Trust (Shah Pilak)	-	-	208	0
11	Munjal Rangwala Family Trust (Rangwala Harish)	-	-	208	0
12	Mili Mehta Family Trust (Shah Rajendra)	-	-	208	0
13	Hetal Ukani Family Trust (Ukani Hetal)	-	-	208	0
14	Vishal Rangwala Family Trust (Rangwala Charusheela)	-	-	208	0

\* Ms. Krina Rajendra Shah shares transmitted to Ms. Nirmala Rajendra Shah on 12th November, 2020 due to her sudden demise.

**SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Sr No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>Shareholding of Directors</b>					
1	Shri Rajendra Shah				
	At the beginning of the year	8,999,850	18	8,999,850	18
	At the end of the year	9,976,614	20	9,976,614	20
2	Shri Harish Rangwala				
	At the beginning of the year	12,999,900	26	12,999,900	26
	At the end of the year	13,255,348	27	13,255,348	27
3	Ms. Pilak Shah				
	At the beginning of the year	10,999,900	22	10,999,900	22
	At the end of the year	4,982,809	10	4,982,809	10
4	Shri Munjal Rangwala				
	At the beginning of the year	6,999,850	14	6,999,850	14
	At the end of the year	1,494,843	3	1,494,843	3
5	Shri Dilipkumar Sanghvi				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	3	0	3	0
<b>Shareholding of Key Managerial Personnel</b>					
1	Shri Falgun Shah				
	At the beginning of the year	Nil	0	Nil	0
	At the end of the year	Nil	0	Nil	0
2	Ms. Aastha Upadhyay				
	At the beginning of the year	Nil	0	Nil	0
	At the end of the year	Nil	0	Nil	0

**Note:**

1. Shri. Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from 25th December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
2. Shri Harish Rangwala is appointed as Managing Director of the Company with effect from 25th December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
3. Shri Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from 25th December 2021 subject to the consent of shareholders in the ensuing Annual General Meeting of the Company.
4. Due to sudden demise of Shri Munjal Rangwala on 20th March, 2021, ceased from the position of director from Company with effect from 26th March 2021.
5. Shri. Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25th December 2021.
6. Shri Falgun Shah has vacated from the position of Chief Financial Officer with effect from 25th December 2021.
7. Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from 15th March, 2021.

<b>INDEBTEDNESS:</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment:</b>				
<b>(Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Secured Loans</b>	<b>Unsecured Deposits</b>	<b>Unsecured Loan</b>	<b>Total Amount</b>
<b>Deposits at the beginning of the financial year</b>				
1. Principal Amount	25005	755	6168	31929
2. Interest accrued and due on borrowings	150	-	-	150
3. Interest accrued but not due on borrowings	-	-	-	0
<b>Total (1+2+3)</b>	<b>25156</b>	<b>755</b>	<b>6168</b>	<b>32079</b>
<b>Change in Indebtedness during the financial year</b>				
1. Addition	120	17		138
2. Reduction	-6319	110	-333	-6542
<b>Net Change (1-2)</b>	<b>-6199</b>	<b>-93</b>	<b>-333</b>	<b>-6625</b>
<b>Indebtedness at the end of the financial year</b>				
1. Principal Amount	18686	661	5835	25182
2. Interest accrued and due on borrowings	271	-	-	271
3. Interest accrued but not due on borrowings		-	-	0.00
<b>Total (1+2+3)</b>	<b>18956</b>	<b>661</b>	<b>5835</b>	<b>25453</b>

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>A) Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>								<b>(Rs. In Lakhs)</b>
<b>Sr. No</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager</b>						<b>Total Amount</b>
		<b>Rajendra Shah* (Chairman &amp; WTD)</b>	<b>Harish Rangwala* (MD)</b>	<b>Vishal Rangwala* (WTD &amp; CEO)</b>	<b>Pilak Shah* (WTD &amp; COO)</b>	<b>Hetal Ukani (WTD)*</b>	<b>Munjla Rangwala (WTD)</b>	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax	34	34	50	50	31	60	259



	Act, 1961							
2	Stock Option							
3	Sweat Equity							
4	Commission-as % of profit	32	32	122	90	32	-	308
5	Others, please specify (Leave Encashment)							
	<b>Total (A)</b>	<b>66</b>	<b>66</b>	<b>172</b>	<b>140</b>	<b>63</b>	<b>60</b>	<b>567</b>

\*We have considered designation of Harsha Engineers Limited (Transferor Company) for disclosure of remuneration of MD/WTD/Manager and same has been appointed by Board of Directors of the Company at their Meeting on 25<sup>th</sup> December, 2021 subject to the consent of shareholders in the General Meeting.

REMUNERATION TO OTHER DIRECTORS							
Sr.No.	Particulars	Name of Director					Total Amount (Rs. In lakhs)
		Shri Jitendra Mamotara*	Shri Amabar Patel*	Pro.(Dr.) Neharika Vohra*	Shri Kunal Shah*	Shri Dilipkumar Sanghvi**	
1	Non Executive - Independent Directors						
	• Fee for attending board committee meetings	0.6	0.8	0.6	0.6	-	2.6
	• Commission	-	-	-	-		
	• Others, please specify	-	-	-	-		
	<b>Total (1)</b>	<b>0.6</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>	<b>-</b>	<b>2.6</b>
2	Other Non-Executive and Executive Directors						
	• Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
	• Fee for attending board & committee meetings	-	-	-	-		
	• Commission	-	-	-	-		
	• Others, please specify	-	-	-	-		
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (1)+(2)</b>	<b>0.6</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>	<b>-</b>	<b>2.6</b>

\*We have considered designation of Harsha Engineers Limited (Transferor Company 3/Transferee Company 1) for disclosure of remuneration/sitting fees paid to Independent Directors

\*\*Shri Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25<sup>th</sup> December 2021.

**REMUNERATION TO KEY MANAGERIAL PERSONNEL (Other than MD/ Manager/ WTD)**

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL				Total Amount (Rs. In lakhs)
		Falgun Shah(CFO)*	Aastha Upadhyay (CS)**	Maulik Jasani (CFO)***	Kiran Mohanty (CS)****	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	39	3	46	15	103
2	Stock Option	-			-	-
3	Sweat Equity	-			-	-
4	Commission- as % of profit	-			-	-
5	Others, please specify	-			-	-
	<b>Total</b>	<b>39</b>	<b>3</b>	<b>46</b>	<b>15</b>	<b>103</b>

*Note*

1. We have considered designation of Harsha Engineers Limited (Transferor Company 3/Transferee Company 1) for disclosure of remuneration of Mr Maulik Jasani and Mr Kiran Mohany

\*Shri Falgun Shah has vacated from the position of Chief Financial Officer with effect from 25th December 2021

\*\*Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from 15th March, 2021.

\*\*\*Shri Maulik Jasani is appointed as Chief Financial Officer of the company with effect from 25th December 2021.

\*\*\*\*Shri Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from 12th August, 2021.

**PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		





# **Standalone Financial Statements & Notes 2020-2021**

- Independent Auditors' Report
- Annexure to Independent Auditors' Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Statement of Changes in Equity
- Notes to financial statements

# Pankaj R. Shah & Associates

## Chartered Accountants

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

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

CA. Nilesh Shah  
B.Com., LL.B., F.C.A.

CA. Manali Shah  
B.Com., F.C.A.

CA. Sandip Gupta  
B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Near Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015. India. Phone : +91-79-2693 1024, 2693 1026, 2693 2587, Fax : +91-79-2693 2874 URL : <http://www.prsca.in>

### INDEPENDENT AUDITOR'S REPORT

To The Members of HARSHA ABAKUS SOLAR PRIVATE 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 ABAKUS SOLAR PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March 2021, its profit, 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.

#### Emphasis of matter:-

We draw attention to note no. 31.6 in the accompanying standalone Ind AS Financial Statements which describes a composite scheme of amalgamation and arrangement involving inter alia the company and the related accounting treatment in respect of a common control business combination in accordance with certified order of the National Company Law Tribunal dated 23<sup>rd</sup> December, 2021 approving the same. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on December 24, 2021, being the effective date. The figures disclosed in the Ind AS Financial Statements for the year ended March 31, 2020 and Balance sheet as at transition date (i.e., April 1, 2019) have been restated to give effect to the common control business combination in accordance with Ind AS 103.

Our opinion is not modified in respect of this matter.

The financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these Ind AS financial statements are based on previously issued statutory financial statements for the years ended March 31, 2019 and March 31, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended). The adjustments to those financial statements for the differences in accounting policies adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

**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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**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: -**

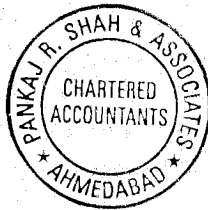
1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the **Annexure - A**, a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required by Section 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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; refer to our separate report in *Annexure - B*. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has no pending litigations which can significantly impact its financial position.
  - The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.
  - The company is not required to transfer any amount to the Investor Education and Protection fund.

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



**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 21110142AAAAAR1871**  
**Place: Ahmedabad**  
**Date: 25-12-2021**





**ANNEXURE - A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HARSHA ABAKUS SOLAR PRIVATE LIMITED**

**Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements of our report of even date to the Ind AS Financial Statements of the Company for the year ended March 31, 2021:**

**1. In respect of its Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company. However pursuant to scheme of amalgamation and arrangement, legal titles of some of the immovable properties are in the process of being transferred in the name of the company.

**2. In respect of its Inventories:**

- (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

**3. According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:**

- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no amount overdue for more than ninety days in respect of loans granted to such companies.

**4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.**

**5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the shareholders of the Company in accordance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 and all other relevant provisions, if any, of the Act and the rules made thereunder.**

**6. With reference to the compulsory cost records to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government of India under section 148 of the Companies Act, 2013, the Company has complied with the same.**

**7. In respect of Statutory Dues:**

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, GST and other statutory dues applicable to it.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Wealth tax, Service tax, Custom Duty, Excise Duty, cess and any other statutory dues, which have not been deposited on account of any dispute, and the particulars of dues of Income tax and Sales Tax as at 31st March, 2021 which have not been deposited on account of a disputed, is as follows:

Name of the Statute	Nature of dues	Period to which amount relates	Amount Disputed (Rs.)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	F.Y 2013-14	83,76,540	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2015-16	8,58,21,220	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2016-17	7,40,97,463	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2017-18	17,29,671	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2017-18	58,97,940	Appeal Stage
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2012-13 to F.Y.2017-18	82,244	High Court
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2012-13 to F.Y.2017-18	38,689	High Court
Central Excise Act, 1944 and Service Tax	Short Paid of Excise duty at the time of De Bonding of EOU	F.Y.2007-08 to F.Y.2008-09	32,94,409	Adjudication Pending with CESTAT
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2015-16 to F.Y.2017-18	6,58,670	Interim SCN Reply Filed
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2015-16 to F.Y.2017-18	64,81,233	Adjudication pending with Addl. Commissioner

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. During the year, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures, except from Banks and its Directors.
9. On the basis of review of utilization of funds pertaining to term loans on an overall basis and related information made available to us, the term loans taken by the Company have been applied for the purpose for which they are obtained.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with provision of Section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Ind AS.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible

debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

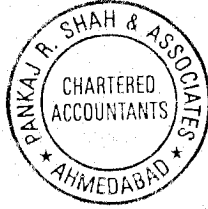
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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



CA Chintan Shah  
Partner  
(Membership No. 110142)  
UDIN: 21110142AAAAAR1871  
Place: Ahmedabad  
Date: 25-12-2021



**"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARSHA ABAKUS SOLAR PRIVATE LIMITED REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **HARSHA ABAKUS SOLAR PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

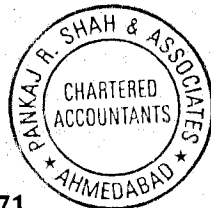
**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



CA Chintan Shah  
Partner  
(Membership No. 110142)  
UDIN: 21110142AAAAAR1871  
Place: Ahmedabad  
Date: 25-12-2021



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Standalone Balance Sheet as at 31-Mar-21

(Rs. In Lakhs)

Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2	18,059	17,795	14,526
Capital Work-In-Progress		268	181	412
Other Intangible Assets	2	74	106	86
<b>Financial Assets</b>				
Investments	3	17,883	17,816	17,816
Loans & Advances	4	1,341	1,383	1,057
Other Tax Assets [Net]	5	991	1,059	449
Other Non-Current Assets	7	326	251	1,253
<b>Total Non-Current Assets</b>		<b>38,942</b>	<b>38,591</b>	<b>35,599</b>
<b>Current Assets</b>				
Inventories	8	19,710	17,190	18,400
<b>Financial Assets</b>				
Investments	3	925	658	575
Trade Receivables	9	16,452	19,736	22,759
Cash and Cash Equivalents	10	2,543	1,727	461
Other Bank Balances	10	1,032	3,163	3,398
Loans & Advances	4	1,154	1,490	1,606
Other Financial Assets	6	689	544	571
Other Current Assets	7	6,679	6,488	7,371
<b>Total Current Assets</b>		<b>49,184</b>	<b>50,996</b>	<b>55,141</b>
<b>TOTAL ASSETS</b>		<b>88,126</b>	<b>89,587</b>	<b>90,740</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	5,000	5,000	2,000
Other Equity	12	41,050	36,740	36,174
<b>Total Equity</b>		<b>46,050</b>	<b>41,740</b>	<b>38,174</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13	8,642	9,265	10,067
Other Financial Liabilities	17	241	301	-
Provisions	14	951	689	452
Deferred Tax Liabilities (Net)	15	444	(1073)	(346)
Other Non-Current Liabilities	18	209	207	179
<b>Total Non-Current Liabilities</b>		<b>10,487</b>	<b>9,389</b>	<b>10,352</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13	14,290	19,035	20,539
Trade Payables				
-Dues to Micro & Small Enterprises	16	425	386	450
-Dues to other than Micro & Small Enterprises	16	9,004	8,779	13,218
Other Financial Liabilities	17	4,204	4,862	4,044
Other Current Liabilities	18	3,578	5,093	3,789
Provisions	14	202	186	151
Current Tax Liabilities [Net]	19	(114)	117	23
<b>Total Current Liabilities</b>		<b>31,589</b>	<b>38,458</b>	<b>42,214</b>
<b>Total Liabilities</b>		<b>42,076</b>	<b>47,847</b>	<b>52,566</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>88,126</b>	<b>89,587</b>	<b>90,740</b>

Significant Accounting Policies

1

[\*] Refer Note-31.6

The accompanying notes (1 to 33) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

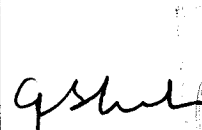
Chartered Accountants

FRN No.: 107361W

For and on behalf of the Board of Directors

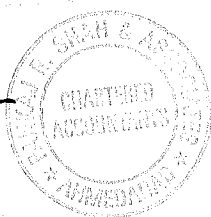
Harsha Abakus Solar Private Limited

(CIN : U29307GJ2010PTC063233)



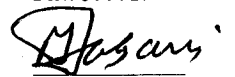
**Chintan Shah**  
Managing Partner  
M. No. : 110142

Date: 25-12-2021  
Place: Ahmedabad






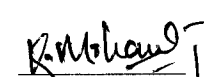
**Rajendra Shah**  
Chairman  
DIN: 00061922



**Maulik Jasani**  
Chief Financial Officer  
Date: 25-12-2021  
Place: Ahmedabad



**Harish Rangwala**  
Managing Director  
DIN: 00278062



**Kiran Mohanty**  
Chief Compliance Officer & CS  
M. No.: F9907

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

**Standalone Statement of Profit and Loss for the year ended 31-Mar-21**

(Rs. in Lakhs)

Particulars	Notes	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>INCOME</b>			
Revenue from Operations	20	58,204	60,053
Other Income	21	373	1,582
<b>Total Income (A)</b>		<b>58,577</b>	<b>61,635</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	29,382	29,974
Change In Inventories of Finished Goods & Work-In-Progress	23	(1,985)	1,446
Employee Benefits Expenses	24	8,971	9,044
Finance Costs	25	2,656	3,034
Depreciation and Amortization Expenses	2	1,728	2,013
Other Expenses	26	12,687	13,141
<b>Total Expenses (B)</b>		<b>53,439</b>	<b>58,652</b>
<b>Profit/ (Loss) Before Tax (C)=(A-B)</b>		<b>5,138</b>	<b>2,983</b>
<b>Tax Expense</b>			
Current Tax		-	1,450
Deferred Tax	28	1,343	(615)
MAT Credit reversed/(availed)		-	137
<b>Total Tax Expense (D)</b>		<b>1,343</b>	<b>972</b>
<b>Profit/ (Loss) After Tax for the year (E)=(D-C)</b>		<b>3,795</b>	<b>2,011</b>
<b>Other Comprehensive Income</b>			
<b>i) Items that will be reclassified to profit or loss</b>			
Changes in fair value of FVTOCI equity instruments		-	-
Gains / (Loss) of Cashflow Hedge		753	(416)
Income tax relating to these items	28	(189)	105
<b>ii) Items that will not be reclassified to profit or loss</b>			
Remeasurement of post-employment benefit obligations	29	(65)	(124)
Income tax relating to these items	28	16	6
<b>Other Comprehensive Income for the year, net of tax (F)</b>		<b>515</b>	<b>(429)</b>
<b>Total Comprehensive Income for the year (E+F)</b>		<b>4,310</b>	<b>1,582</b>
<b>Earning Per Equity Share (EPS) for the year</b>			
Basic (Rs.)	27	7.59	5.75
Diluted (Rs.)		4.91	3.23

Significant Accounting Policies

1

[\*] Refer Note-31.6

The accompanying notes (1 to 33) are integral part of the financial statements.

**As per our report of even date attached**

**For Pankaj R. Shah & Associates**

Chartered Accountants

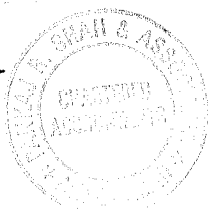
FRN No.: 107361W

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

Harsha Abakus Solar Private Limited

(CIN : U29307GJ2010PTC063233)

*gshah*



**Chintan Shah**  
Managing Partner  
M. No. : 110142

Date: 25-12-2021  
Place: Ahmedabad

*Rajendra Shah*  
**Rajendra Shah**  
Chairman  
DIN: 00061922

*M. Jasani*  
**Maulik Jasani**  
Chief Financial Officer

Date: 25-12-2021  
Place: Ahmedabad

*Harish Rangwala*  
**Harish Rangwala**  
Managing Director  
DIN: 00278062

*Kiran Mohanty*  
**Kiran Mohanty**  
Chief Compliance  
Officer & CS  
M. No.: F9907

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
**Standalone Cash flow Statement for the year ended 31-Mar-21**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax as per statement of Profit &amp; Loss</b>	5,138	2,983
<b>Adjustments for:</b>		
Depreciation, Amortisation, Depletion & Impairment	1,728	2,013
Interest Income	(300)	(382)
Finance Cost	2,656	3,034
Loss/(Profit) on Sale of Investment	(1)	-
Bad debts/Provision for doubtful trade receivables	49	234
Share of Profit/Loss from Associates	(17)	(84)
Loss / (Profit) on Sale of Assets	17	(1)
<b>Operating Profit before Working Capital Changes</b>	<b>9,270</b>	<b>7,797</b>
<b>Adjustments for Changes in Working Capital</b>		
Inventories	(2,520)	1,210
Trade Receivables	3,235	2,789
Loans & Advances	336	116
Other Financial Assets	(268)	300
Trade Payables	264	(4,503)
Other Financial Liabilities	722	1,154
Other Current / Non-Current Liabilities	(1,515)	1,304
Provisions	850	(429)
<b>Cash Generated from Operations</b>	<b>10,374</b>	<b>9,738</b>
Income Taxes Paid	(114)	(1,333)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>10,260</b>	<b>8,405</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(2,064)	(5,070)
Sale/Purchase of Other Investments	(333)	(83)
Loans and Advances (Net)	(33)	676
Investment in fixed deposits with bank (Net)	2,131	235
Interest Income	300	382
Share of Profit/Loss from Associates	17	84
<b>Net Cash Flow from Investing Activities (B)</b>	<b>18</b>	<b>(3,776)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends Paid	-	(843)
Corporate Dividend Distribution Tax	-	(173)
Finance Cost	(2,656)	(3,034)
Borrowings (Net)	(6,808)	659
Availment/(Repayment) of Non-Current Liability	2	28
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(9,462)</b>	<b>(3,363)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)</b>	<b>816</b>	<b>1,266</b>



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
**Standalone Cash flow Statement for the year ended 31-Mar-21**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		
Cash on Hand	16	7
Balances with Banks	1,711	454
	<b>1,727</b>	<b>461</b>
<b>Cash and Cash Equivalents at the End of the Year</b>		
Cash on Hand	6	16
Balances with Banks	2,537	1,711
	<b>2,543</b>	<b>1,727</b>

[\*] Refer Note-31.6

The accompanying notes (1 to 33) are integral part of the financial statements.

**For Pankaj R. Shah & Associates**

Chartered Accountants

FRN No.: 107361W

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

Harsha Abakus Solar Private Limited

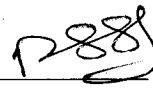
(CIN : U29307GJ2010PTC063233)



**Chintan Shah**

Managing Partner

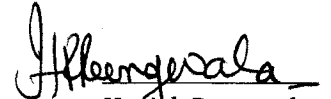
M. No. : 110142

**Rajendra Shah**

Chairman

DIN: 00061922



**Harish Rangwala**

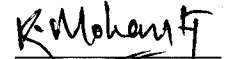
Managing Director

DIN: 00278062



**Maulik Jasani**

Chief Financial Officer



**Kiran Mohanty**

Chief Compliance  
Officer & CS

M. No.: F9907

Date: 25-12-2021

Place: Ahmedabad

Date: 25-12-2021

Place: Ahmedabad

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Standalone Statement of Changes In Equity (SOCIE) for the year ended 31-Mar-21

**A. Equity Share Capital**

Particulars	No. of Shares	Amount (Rs. In lakhs)
<b>Issued, Subscribed and Paid up Share Capital</b>		
Equity Shares of Rs. 10/- each fully paid up		
<b>As at 01-Apr-19*</b>	20,000,000	2,000
Add : Equity shares issued during the year on conversion of loan	30,000,000	3,000
<b>As at 31-Mar-20*</b>	50,000,000	5,000
Add : Equity shares issued during the year	-	-
<b>As at 31-Mar-21</b>	50,000,000	5,000

**B. Other Equity**

(Rs. In Lakhs)

Particulars	Share Capital Pending Reduction & Allotment	Reserves & Surplus				Other Comprehensive Income	Total Other Equity
		Capital Reserves	Security Premium	General Reserve	Retained Earnings		
<b>Balance as at 01-Apr-19*</b>	-	-	75	2,307	32,745	(59)	35,068
Changes in accounting policy / standards	-	-	-	-	(1,017)	2	(1,015)
Add/Less: Adjusted pursuant to the Scheme*	2,725	(604)	-	-	-	-	2,121
<b>Restated balance as at 01-Apr-19*</b>	2,725	(604)	75	2,307	31,728	(57)	36,174
Profit for the year	-	-	-	-	2,011	-	2,011
Other comprehensive income for the year	-	-	-	-	-	(429)	(429)
<b>Total comprehensive income for the year</b>	-	-	-	-	2,011	(429)	1,582
Utilised during the year	-	-	-	-	(1,016)	-	(1,016)
<b>Balance as at 31-Mar-20*</b>	2,725	(604)	75	2,307	32,723	(486)	36,740
Profit for the year	-	-	-	-	3,795	-	3,795
Other comprehensive income for the year	-	-	-	-	-	515	515
<b>Total comprehensive income for the year</b>	-	-	-	-	3,795	515	4,310
Transfer for Gratuity Actuarial Valuation	-	-	-	-	(29)	29	-
<b>Balance as at 31-Mar-21</b>	2,725	(604)	75	2,307	36,489	58	41,050

[\*] Refer Note-31.6

The accompanying notes (1 to 33) are integral part of the financial statements.

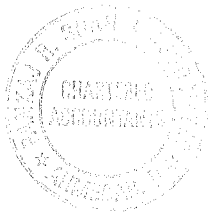
**For Pankaj R. Shah & Associates**

Chartered Accountants

FRN No.: 107361W

*gshah*

**Chintan Shah**  
Managing Partner  
M. No.: 110142



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

Harsha Abakus Solar Private Limited

(CIN : U29307GJ2010PTC063233)

*R. Shah*

**Rajendra Shah**  
Chairman  
DIN: 00061922

*H. Rangwala*

**Harish Rangwala**  
Managing Director  
DIN: 00278062

*M. Jasani*

**Maulik Jasani**  
Chief Financial Officer

*K. Mohanty*

**Kiran Mohanty**  
Chief Compliance Officer & CS  
M. No.: F9907

Date: 25-12-2021  
Place: Ahmedabad

Date: 25-12-2021  
Place: Ahmedabad

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### Note 1 Statement of significant Accounting policies and practices

#### I. GENERAL INFORMATION

Harsha Abakus Solar Private Limited, is a private limited company, incorporated and domiciled in India, under the provisions of the Companies Act ("HASPL" or "the Company"). The company expresses itself as a Core Engineering as well as Solar-EPC and O&M company which focuses on continuous learning and developments, having experience to produce best Engineering products and provide best solar services as per customers requirement. Since its inception, the company undertakes turnkey projects, using solar photovoltaic (PV) technology, including polycrystalline and thin-film materials under its Solar EPC segment, ranging from KW scale to MW scale. The Company has merged the group companies having Engineering business which are in the manufacturer of bearing cages having materials in form of brass, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through our subsidiaries company. The registered office of the companies is located at Sarkhej-Bavla Road, P.O. Changodar, Ahmedabad-382213, Gujarat, India.

#### II. BASIS OF PREPARATION

##### **II.(a). 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')

##### **II.(b). Functional and presentation currency**

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

##### **II.(c). Basis of Measurement**

The consolidated 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 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

##### **II.(d). 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.

##### **II.(e). 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

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).

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

### Notes to the Standalone Financial Statements for the year ended 31-Mar-21

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.

### **III. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. 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).

#### **B. 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) Initial Recognition 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.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### 2. Financial Liabilities

#### *i) Classification, Initial and 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. 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.

### D. 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 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.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### **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).

Depreciation method followed by different companies of the Scheme are brought in line with the same method (i.e. Straight Line Method). Such change has been accounted for prospectively from F.Y 2020-21 as such change is considered as change in accounting estimate and the change is required to be applied prospectively in case of change in accounting estimate (as prescribed by guidance under Ind AS 8).

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 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.

## **E. 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.

## **F. 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.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### G. Impairment

#### *i. Impairment of Financial Assets*

The Company recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, the Company measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full.

#### *Measurement of Expected Credit Losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### *ii. Impairment of Non-Financial Assets*

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### H. Employee Benefits

#### *i. Short Term Employee Benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### *ii. Defined Contribution Plan*

The Company makes specified monthly contributions towards the provident fund. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### *iii. Defined Benefit Plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds and deducting the fair value of any plan assets.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

### Notes to the Standalone Financial Statements for the year ended 31-Mar-21

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **I. 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 in case of domestic, such transfer occurs when the product is sold on ex-works; however, for exports 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.

##### **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.

##### **ii 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.

#### **J. Recognition of Dividend Income, Interest Income**

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

#### **K. 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.



## HARSHA ABAKUS SOLAR PRIVATE LIMITED

### Notes to the Standalone Financial Statements for the year ended 31-Mar-21

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.

#### **L. 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.

#### **M. Borrowing Cost**

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) 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.

#### **N. 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 profit after tax attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

#### **O. Statement of Cash Flow**

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.

#### **P. Leases**

With effect from 1st April, 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet and recognition of Depreciation and Interest expenses in Profit & Loss A/c.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### Lease accounting

#### *As a lessee*

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### *As a lessor*

##### *Finance lease*

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### *Operating lease*

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
- C. the lease asset capitalised and recognised as an asset in the books.

### **Q. 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. Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

### R. Business combinations

#### Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the standalone statement of profit and loss or OCI, as appropriate.

#### Common Control Transactions:

Business combinations involving entities that are controlled by the company in which all the combining entities or businesses are ultimately controlled by the same party or parties are accounted for using the pooling of interests method as follows :

1. The assets and liabilities of the combining entities are reflected at their carrying amounts.
2. No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Wherever any business combination is governed by the Scheme approved by the Hon'able High Court/ National Company Law Tribunal [NCLT], the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

S. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March is provided in Note No. 16 to the extent the company has received intimation from the "Suppliers" regarding their status under the MSMED Act.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note : 2. Property, Plant & Equipment  
For the year ended 31-Mar-21

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 01-Apr-20*	Addition during the year	Disposal/ Adjustment	As at 31-Mar-21	As at 01-Apr-20*	For the year	Disposal/ Adjustment	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20*
	(Rs. In Lakhs)									
<b>Tangible Assets</b>										
Land	584	-	-	584	-	-	-	-	584	584
Buildings	6,730	38	2	6,768	2,030	220	-	2,250	4,518	4,702
Plant And Machinery	23,771	1,811	240	25,342	14,814	1,016	230	15,600	9,742	8,957
Furniture And Fittings	1,016	5	12	1,009	624	64	9	679	330	392
Vehicles	252	5	3	254	84	26	3	107	147	168
Office Equipments	228	10	15	223	165	15	12	165	55	63
Electric Installation	1,898	81	5	1,974	1,092	130	4	1,218	756	806
Computer & Peripherals	517	9	22	504	433	37	19	451	53	84
Solar Generation Plant	2,123	-	-	2,123	538	78	-	616	1,507	1,585
Wind Mill	573	-	-	573	410	21	-	431	142	163
Right of Use Assets-Lease	420	72	136	356	129	131	129	131	225	291
<b>TOTAL (A)</b>	<b>38,114</b>	<b>2,031</b>	<b>435</b>	<b>39,710</b>	<b>20,319</b>	<b>1,738</b>	<b>406</b>	<b>21,651</b>	<b>18,059</b>	<b>17,795</b>
<b>Other Intangible Assets</b>										
Computer software	578	7	10	575	472	39	10	501	74	106
<b>TOTAL (B)</b>	<b>578</b>	<b>7</b>	<b>10</b>	<b>575</b>	<b>472</b>	<b>39</b>	<b>10</b>	<b>501</b>	<b>74</b>	<b>106</b>
<b>TOTAL (A+B)</b>	<b>38,692</b>	<b>2,038</b>	<b>445</b>	<b>40,285</b>	<b>20,791</b>	<b>1,777</b>	<b>416</b>	<b>22,152</b>	<b>18,133</b>	<b>17,901</b>
<b>For the year ended 31-Mar-20*</b>										
<b>Particulars</b>										
<b>Tangible Assets</b>										
Land	576	8	-	584	-	-	-	-	584	576
Buildings	5,861	879	8	6,732	1,839	193	2	2,030	4,702	4,022
Plant And Machinery	20,240	3,580	50	23,770	13,484	1,346	17	14,813	8,957	6,756
Furniture And Fittings	966	78	27	1,017	575	64	14	625	392	391
Vehicles	350	-	97	253	135	33	83	85	168	215
Office Equipments	195	35	1	229	155	12	1	166	63	40
Electric Installation	1,615	338	54	1,899	1,033	106	46	1,093	806	582
Computer & Peripherals	495	31	8	518	397	44	7	434	84	98
Solar Generation Plant	2,123	-	-	2,123	460	78	-	538	1,585	1,663
Wind Mill	573	-	-	573	390	20	-	410	163	183
Right of Use Assets-Lease	-	420	-	420	-	129	-	129	291	-
<b>TOTAL (A)</b>	<b>32,994</b>	<b>5,369</b>	<b>245</b>	<b>38,118</b>	<b>18,468</b>	<b>2,025</b>	<b>170</b>	<b>20,323</b>	<b>17,795</b>	<b>14,526</b>
<b>Other Intangible Assets</b>										
Computer software	528	57	8	577	442	37	8	471	106	86
<b>TOTAL (B)</b>	<b>528</b>	<b>57</b>	<b>8</b>	<b>577</b>	<b>442</b>	<b>37</b>	<b>8</b>	<b>471</b>	<b>106</b>	<b>86</b>
<b>TOTAL (A+B)</b>	<b>33,522</b>	<b>5,426</b>	<b>253</b>	<b>38,695</b>	<b>18,910</b>	<b>2,062</b>	<b>178</b>	<b>20,794</b>	<b>17,901</b>	<b>14,612</b>

[\*] Refer Note-31.6

Note : Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 3**

**Investments**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
<b>A) Investments in Equity Shares of Subsidiaries</b> (Measured at Amortised cost)			
Unquoted equity instruments Fully Paid Up			
<b>Harsha Engineers Components (Changshu) Co. Ltd.</b> (Extent of Holding-100%, Reduction due to Merger in Harsha Precision Bearings Components (China) Co. Ltd.) Principal Place of Business : Changshu, China	-	1,844	1,844
<b>Harsha Precision Bearings Components (China) Co. Ltd.</b> (Extent of Holding-100%, Addition due to Merger of Harsha Engineers Components (Changshu) Co. Ltd.) Principal Place of Business : Changshu, China	6,760	4,916	4,916
<b>Harsha Engineers B.V.</b> 3,000 Equity shares of Euro 4622.9 each(Extent of Holding-100%) Principal Place of Business : Amsterdam, Netherlands	11,053	11,053	11,053
<b>HASPL Americas Corporations</b> 59980 Equity shares of USD 1.50 each for 31st March, 2021 (Extent of Holding-100%) Principal Place of Business : Mclean,VA, USA	67	-	-
<b>B) Investments in Joint venture / Associates</b> (Measured at Amortised cost)			
<b>Sunstream Green Energy One Pvt. Ltd.</b> 2600 Equity shares of Rs. 10 each for 31st March, 2021 (Extent of Holding-26%) Principal Place of Business : India	0	-	-
<b>Cleanmax Harsha Solar LLP - Capital A/c.</b> Capital contribution of ₹250,000 (Voting Rights and Profit Sharing of 50%) Principal Place of Business : India	3	3	3
<b>Total Non-Current Investments</b>	<b>17,883</b>	<b>17,816</b>	<b>17,816</b>
<b>Current</b>			
<b>Mutual Fund</b>			
IDFC Overnight Fund - Direct Plan - Growth (Units-22772.014 & NAV @1097.8824)	250	-	-
Cleanmax Harsha Solar LLP Current A/c	675	658	575
<b>Total Current Investments</b>	<b>925</b>	<b>658</b>	<b>575</b>

**Note 4**

**Loans & Advances**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
<b>(Unsecured, Considered Good)</b>			
Security Deposits	40	39	61
Loans to Employees	7	5	9
Loan to subsidiaries	1,294	1,339	982
Other Loan & Advances	-	-	5
<b>Total Non-Current Loans &amp; Advances</b>	<b>1,341</b>	<b>1,383</b>	<b>1,057</b>
<b>Current</b>			
<b>(Unsecured, Considered Good)</b>			
Security Deposits	5	11	17
Loan To Employees	20	45	78
Share Issue Expenses #	-	-	309
Other Trade Receivable -Un billed Revenue	434	466	443
Other Trade Receivable -Subsidy Receivable	54	55	23
Interest & Other Income Receivable	641	913	736
<b>Total Current Loans &amp; Advances</b>	<b>1,154</b>	<b>1,490</b>	<b>1,606</b>

# Harsha Engineers Limited (One of the amlgamting company) had filed the Draft Red Herring Prospectus (DRHP) on August 21, 2018 and SEBI's DRHP approval has been expired in Oct'19. Consequent to the same, IPO related expenses incurred has been charged off to Profit & Loss a/c during the Financial Year 2019-20.

**Note 5**

**Other Tax Assets [Net]**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Advance Payment of Tax ( Net of Provisions )	991	1,059	449
<b>Total Other Tax Assets [Net]</b>	<b>991</b>	<b>1,059</b>	<b>449</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 6**

**Other Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Current</b>			
Export Benefits Receivables	689	544	571
<b>Total Other Financial Assets</b>	<b>689</b>	<b>544</b>	<b>571</b>

**Note 7**

**Other Assets**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Capital Advances	184	100	1,116
Prepaid Expenses	142	151	-
MAT Credit Entitlement #	-	-	137
<b>Total Other Non-Current Assets</b>	<b>326</b>	<b>251</b>	<b>1,253</b>
<b>Current</b>			
Balances With Government Authority	2,291	1,895	1,884
Prepaid Expenses	421	485	511
Advances To Suppliers	3,967	4,108	4,976
<b>Total Other Current Assets</b>	<b>6,679</b>	<b>6,488</b>	<b>7,371</b>

# As the Company has opted for lower tax regime in India from the financial year 2019-20 under which MAT carry forward is not allowed and accordingly provided MAT credit has been reversed in the books.

**Note 8**

**Inventories**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Raw Material	2,803	2,182	1,667
Semi Finished	905	975	542
Finished	7,692	5,565	7,594
Stores & Spares	1,168	1,120	1,154
Toolings	6,618	6,690	6,540
Project bought-out Components-Solar	524	658	903
<b>Total Inventories</b>	<b>19,710</b>	<b>17,190</b>	<b>18,400</b>

**Inventories lying with the job workers:**

The Inventory amounting to Rs. 804 lakhs (31st March 2020 is Rs. 398 lakhs) was lying with the job workers for further processing at the close of the year.

**Note 9**

**Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Unsecured and Considered Good</b>			
Trade Receivables	17,053	20,327	24,126
Less: Provision for doubtful trade receivables	601	591	1,367
<b>Total Trade Receivables</b>	<b>16,452</b>	<b>19,736</b>	<b>22,759</b>

**Age of Receivables:**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Not Due	9,583	7,374	7,347
0-3 Months	2,104	3,399	5,641
3-6 Months	343	330	566
6-12 Months	343	317	1,867
1-3 Years	254	7,454	6,548
>3 Years	3,825	862	790
<b>Total</b>	<b>16,452</b>	<b>19,736</b>	<b>22,759</b>

**Note 10**

**Cash and Bank Balances**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Cash and Cash Equivalents</b>			
Cash on Hand	6	16	7
Balances with Banks	2,537	1,711	454
<b>Total Cash and Cash Equivalents</b>	<b>2,543</b>	<b>1,727</b>	<b>461</b>
<b>Other Bank Balances</b>			
In Fixed Deposit Accounts #	1,032	3,163	3,398
<b>Total Other Bank Balances</b>	<b>1,032</b>	<b>3,163</b>	<b>3,398</b>
<b>Total Cash and Bank Balances</b>	<b>3,575</b>	<b>4,890</b>	<b>3,859</b>

**# Note :**

1. Lien Marked FD maintain as a margin money for Bank Gurantees, Letter of Credits and Overdraft facility.	877	2,854	3,059
2. Balance maintained in Debt Service Reserve Account as per sanction	-	134	125

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 11**
**Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Authorised Share Capital</b>			
Equity Number of shares	50,000,000	50,000,000	35,000,000
Equity Shares of Rs.10/ each (Increased authorised share capital by 1,50,00,000 Equity Shares of Rs.10/ each in 2019-20)	5,000	5,000	3,500
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>3,500</b>

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Issued, Subscribed and Paid up Capital</b>			
Equity Number of shares	50,000,000	50,000,000	20,000,000
Equity Shares of Rs. 10/- each (Increased paid up share capital by 3,00,00,000 Equity Shares of Rs.10/ each in 2019-20)	5,000	5,000	2,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>2,000</b>

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

Particulars	No. of shares	Amount (Rs.in Lakhs)
<b>As at 01-Apr-19*</b>		
At the beginning of the year	20,000,000	2,000
Add : Shares issued during the year on conversion of loan	30,000,000	3,000
<b>As at 31-Mar-20*</b>	<b>50,000,000</b>	<b>5,000</b>
<b>As at 1st April 2020</b>		
At the beginning of the year	50,000,000	5,000
Add : Shares issued during the year	-	-
<b>As at 31-Mar-21</b>	<b>50,000,000</b>	<b>5,000</b>

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

Particulars	As at 31-Mar-21 No. of shares	As at 31-Mar-20* No. of shares	As at 01-Apr-19* No. of shares
<b>Name of Shareholder</b>			
Mr. Harish Rangwala	13,255,348	12,999,900	1,999,900
Mr. Rajendra Shah	9,976,614	8,999,850	2,999,850
Ms. Charusheela Rangwala	8,679,792	1,999,900	1,999,900
Ms. Nirmala Shah	7,473,799	2,999,850	2,999,850
Mr. Pilak Shah	4,982,809	10,999,900	1,999,900
Mr. Vishal Rangwala	498,281	2,999,850	2,999,850
Mr. Munjal Rangwala	1,494,843	6,999,850	2,999,850
<b>% Holding in Equity Shares</b>			
Mr. Harish Rangwala	26.51%	26.00%	10.00%
Mr. Rajendra Shah	19.95%	18.00%	15.00%
Ms. Charusheela Rangwala	17.36%	4.00%	10.00%
Ms. Nirmala Shah	14.95%	6.00%	15.00%
Mr. Pilak Shah	9.97%	22.00%	10.00%
Mr. Vishal Rangwala	1.00%	6.00%	15.00%
Mr. Munjal Rangwala	2.99%	14.00%	15.00%

**Note 12**
**Other Equity**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Share Capital Pending Reduction & Allotment - Arising pursuant to the Scheme [ Refer Note 31.6 ]	2,725	2,725	2,725
Capital Reserves-Arising pursuant to the Scheme [ Refer Note 31.6 ]	(604)	(604)	(604)
Security Premium	75	75	75
General Reserve	2,307	2,307	2,307
Retained Earnings	36,489	32,723	31,728
Other Comprehensive Income	58	(486)	(57)
<b>Total Other Equity</b>	<b>41,050</b>	<b>36,740</b>	<b>36,174</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Share Capital Pending Reduction &amp; Allotment</b>			
Opening Balance	2,725	2,725	-
Less: Reduction in Face Value of each equity shares from Rs.10 to Re.1 (Refer Note-31.6)	-	-	(4,500)
Add : For Amalgamation Consideration Allotment of Equity Shares of HASPL in the ratio 1:3 Equity Share to Equity Share Holder of HEL as on Record Date. (Refer Note-31.6)	-	-	7,225
<b>Total Share Capital Pending Reduction &amp; Allotment</b>	<b>2,725</b>	<b>2,725</b>	<b>2,725</b>
Share Capital Pending Reduction & Allotment represents Share Capital Pending Reduction in Face Value from Rs.10 to Re.1 of Harsha Abakus Solar Private Limited Equity and shares to be issued as consideration on merger to Share Holders of Harsha Engineers Limited. Since, the appointed date as per the Scheme is 1 April 2020 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, the scheme is required to be accounted from the beginning of the preceding period in the financial statements i.e. 1 April 2020, accordingly Capital reduction and shares to be issued on merger to Share Holders of Harsha Engineers Limited have been accounted as Share Capital Pending Reduction & Allotment on 1 April 2019. Share Capital Reduction in Face Value from Rs.10 to Re.1 on 24th December 2021 and the Company has issued shares as consideration on 25th December 2021 and , Accordingly, on 25th December 2021, the balance lying in Share Capital Pending Reduction & Allotment account has been transferred to equity share capital(Refer note 31.6).			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Capital Reserves</b>			
Opening Balance	(604)	(604)	-
Add : Reduction in Face Value of each equity share from Rs.10 to Re.1 (Refer Note-31.6)	-	-	4,500
Less : Cancellation of Equity Shares vs Investment & Adjustment of Consideration (Refer Note-31.6)	-	-	(5,104)
<b>Total Capital Reserves</b>	<b>(604)</b>	<b>(604)</b>	<b>(604)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Security Premium</b>			
Opening Balance	75	75	75
<b>Total Security Premium</b>	<b>75</b>	<b>75</b>	<b>75</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>General Reserve</b>			
Opening Balance	2,307	2,307	2,307
<b>Total General Reserve</b>	<b>2,307</b>	<b>2,307</b>	<b>2,307</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Retained Earnings</b>			
Opening Balance	32,723	31,728	31,728
Add: Profit during the year	3,795	2,011	-
Less : Utilised for Dividend Paid for last year	-	(843)	-
Less : Utilised for Dividend Distribution Tax Paid for last year	-	(173)	-
Less : Adjustment of Gratuity as per Actuarial Valuation Report	(29)	-	-
<b>Total Retained Earnings</b>	<b>36,489</b>	<b>32,723</b>	<b>31,728</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Other Comprehensive Income (OCI)</b>			
Opening Balance	(486)	(57)	(57)
Increase/(Decrease) During the Year	688	(540)	-
Adjustment of Gratuity as per Actuarial Valuation Report	29	-	-
Income Tax relating to above item	(173)	111	-
<b>Total Other Comprehensive Income (OCI)</b>	<b>58</b>	<b>(486)</b>	<b>(57)</b>



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note 13

Borrowings

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current Borrowings</b>			
<b>Secured</b>			
From RBL Bank Ltd	1,124	4,874	7,123
From RBL Bank Ltd (ECLGS 2.0)	1,006	-	-
From Export-Import Bank of India (EXIM BANK)	-	2,101	2,801
From HDFC Bank Ltd.	2,220	2,192	-
From HDFC Bank Ltd. (ECLGS 2.0)	4,244	-	-
From Kotak Mahindra Bank Limited	48	98	143
<b>Total Non-Current Borrowings</b>	<b>8,642</b>	<b>9,265</b>	<b>10,067</b>
<b>Current Borrowings</b>			
<b>Secured</b>			
<b>State Bank of India</b>	584	1,395	539
(For Engineering- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. and HDFC Bank Ltd. Collaterally secured by way of hypothecation over the entire plant & machinery of the Engineering Division's Changodar and Moraiya Plant (excluding Brass unit at Moraiya Plant hypothecated to Citibank NA ; DGBB unit at Changodar Plant hypothecated to ICICI Bank Limited; Exclusive Assets hypothecated to HDFC Bank Limited and RBL Bank Limited) on pari passu basis with RBL Bank Limited)			
<b>Citi Bank</b>	3,300	2,368	2,240
(For Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Yes Bank Limited, RBL Bank Limited and HDFC Bank Limited)			
<b>YES Bank Ltd</b>	1,464	2,994	2,983
(For Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., RBL Bank Limited and HDFC Bank Limited and for Solar Segment Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with RBL Bank Ltd. by hypothecation of Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future excluding project specific charge.)			
<b>RBL Bank Ltd</b>	2,446	3,722	5,305
(For Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and HDFC Bank Limited and for Solar Segment Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with YES Bank Ltd by hypothecation of Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future.)			
<b>HDFC Bank Ltd</b>	600	1,634	1,397
(For Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and RBL Bank Limited and for Solar Segment Overdraft facility provided based on Fixed Deposit of Engineering Division)			
<b>Unsecured</b>			
Loan from Directors	2,072	2,055	3,519
Deposit from Shareholders / Loan from Director's Relatives	1,824	1,917	1,606
Loan from Banks	2,000	2,950	2,950
<b>Total Current Borrowings</b>	<b>14,290</b>	<b>19,035</b>	<b>20,539</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Major Terms And Conditions w.r.t. Non Current Borrowings**

**(1) RBL Bank Limited**

**a) Security:**

1) Exclusive charge by way of hypothecation over the entire Plant & Machinery created out of the term loan facility given by RBL Bank Limited. Collaterally secured by way of hypothecation over entire plant & machinery (present and future) of the company's Changodar & Moraiya Plant (excluding Brass unit at Moraiya plant, DGBB unit at Changodar plant and the assets hypothecated to any other lenders) pari passu with State Bank of India.

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Re-schedulement : at the lender's discretion
- 2) Prepayment : Prepayment penalty of 3% upto 31st March '2019 and thereafter prepayment allowed out of internal accruals
- 3) Default : No payment of principal or interest on due date, breach of financial covenants.

**(2) RBL Bank Limited (WCTL UNDER ECLG 2.0)- SOLAR Segment**

**a) Security:**

ECLGS Facility is secured by way of 1) second charge on all current assets of borrower both present and future 100% Cover by NCGTC under ECLGS Scheme, 2) Second charge on current assets of the borrower present and future

**(3) HDFC Bank Limited**

**a) Security:**

1) Exclusive charge by way of hypothecation on the entire plant & Machinery created out of the term loan facility given by HDFC Bank Limited

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Re-schedulement : at the lender's discretion
- 2) Prepayment : applicable @2% of amount prepaid in case prepaid initial within 2 years of loan tenure and NIL thereafter (if paid from own sources, internal accruals, equity)
- 3) Default : Any of the default event happen as per the agreement executed.
- 4) Any additional term loan borrowing by the company from any other lender should have a tenure no lesser than that of the TL being granted by HDFC Bank.

**(4) HDFC Bank Limited (WCTL UNDER ECLG 2.0)**

**a) Security:**

Extension of second ranking charge over existing primary and collateral securities created in favor of the Bank i.e.

(1) Extension of second ranking charge over the current assets of the company including all stocks and book debts (both present and future) and (2) Extension of second ranking charge over the Plant & Machinery created out of the Term Loan Facility given by HDFC Bank

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Re-schedulement : at the lender's discretion
- 2) Prepayment : No prepayment penalty shall be charged
- 3) Default : Any of the default event happen as per the agreement executed.
- 4) Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal loans, Home loans, Education loans to be obtained for self and family members.

**(5) Kotak Mahindra Bank Limited**

**a) Security:**

1) Secured by hypothecation of Staff buses availed out of the said term loans.

Rate of interest ranges from 6.50% to 11% p.a . On Long Term Borrowing

Rate of interest ranges from 10% to 11% p.a . On Loan from Directors.

Rate of interest ranges from 10% to 11% p.a . On Deposit from Shareholders

**Terms of Repayments:**

**Non- Current Borrowing**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
1-2 Years	3,238	5,666	5,194
2-3 Years	1,946	2,434	4,075
3-4 Years	1,946	466	798
Beyond 4 Years	1,512	699	-
<b>Total</b>	<b>8,642</b>	<b>9,265</b>	<b>10,067</b>

Note: Non- Current Borrowing Repayments schedule dose not includes current maturity of term loan

Note: Under RBI notifications release time to time, regarding COVID19 regulatory package- rescheduling of payments, Engineering Division has availed moratorium from RBL bank for an amount of Rs.375 lakhs for effective period of 2 months. Also aviled moratorium from Exim Bank for an amount of Rs.700 lakhs for effective period of 6 months, which was fully paid lateron. Solar Division has availed moratorium from RBL bank for an amount of Rs.1125 lakhs for effective periods of 6 months

**Note 14**

**Provisions**

**(Rs. In Lakhs)**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Provision For Employees Benefits, Refer Note : 29	951	689	452
<b>Total Non-Current Provisions</b>	<b>951</b>	<b>689</b>	<b>452</b>
<b>Current</b>			
Provision For Employees Benefits, Refer Note : 29	202	186	151
<b>Total Current Provisions</b>	<b>202</b>	<b>186</b>	<b>151</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 15**
**Deferred Tax Liability / (Asset)**

(Rs. In Lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
Deferred Tax Asset	755	2,189	1,543
<b>Total</b>	<b>755</b>	<b>2,189</b>	<b>1,543</b>
Deferred Tax Liability	1,199	1,116	1,197
<b>Total</b>	<b>1,199</b>	<b>1,116</b>	<b>1,197</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>444</b>	<b>(1,073)</b>	<b>(346)</b>

**Note 16**
**Trade Payables**

(Rs. In Lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
Dues to Micro and Small Enterprises [*]	425	386	450
Dues to other than Micro and Small Enterprises	9,004	8,779	13,218
<b>Total Trade Payables</b>	<b>9,429</b>	<b>9,165</b>	<b>13,668</b>

**[\*] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March are provided as under for to the extent the Company has received intimation from the "Suppliers" regarding their status under the MSMED Act.**

A: Principal amount remaining unpaid to any supplier as at year end	425	386	450
B: Interest due thereon	-	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	64	-
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-	1

The above information has been compiled in respect of parties to the extent to which they could be identified as Suppliers under the Micro, Small and Medium Enterprises Act, on the basis of information available with the Company & provided by the supplier. All above information has been compiled, only after the information available with the company.

**Note 17**
**Other Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
<b>Non-current</b>			
Lease Liability	241	301	-
<b>Total Other Non-Current Financial Liabilities</b>	<b>241</b>	<b>301</b>	<b>-</b>
<b>Current</b>			
Current maturities of long term debt	2,249	3,629	3,965
Interest accrued and due on borrowings	271	150	75
Accrued Expenses	2,020	667	473
Derivative Liability / (Asset)	(336)	416	(469)
<b>Total Other Current Financial Liabilities</b>	<b>4,204</b>	<b>4,862</b>	<b>4,044</b>

**Note 18**
**Other Liabilities**

(Rs. In Lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
<b>Non-current</b>			
Contingent Deposit From Vendors	176	196	169
Advance from Staffs	33	11	10
<b>Total Non-Current Liabilities</b>	<b>209</b>	<b>207</b>	<b>179</b>
<b>Current</b>			
Statutory Liabilities	874	1,315	1,012
Advance from Customers	2,679	3,755	2,756
Asset Retirement Obligation - ARO	25	23	21
<b>Total Current Liabilities</b>	<b>3,578</b>	<b>5,093</b>	<b>3,789</b>

**Note 19**
**Current Tax Liabilities [Net]**

(Rs. In Lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
<b>Current</b>			
Provision for Taxation (Net of Advance Tax)	(114)	117	23
<b>Total Current Tax Liabilities [Net]</b>	<b>(114)</b>	<b>117</b>	<b>23</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 20**

(Rs. In Lakhs)		
<b>Revenue from Operations</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Sales of Products &amp; Services</b>		
(a) Sale of Products	55,585	57,712
(b) Sale of Services	1,456	919
(c) Unbilled Revenue	(32)	23
<b>Total</b>	<b>57,009</b>	<b>58,654</b>
<b>Other Operating Revenues</b>		
Exports Benefits	1,003	1,198
Solar Power Generation	192	201
<b>Total</b>	<b>1,195</b>	<b>1,399</b>
<b>Total Revenue from Operations</b>	<b>58,204</b>	<b>60,053</b>

**Note 21**

(Rs. In Lakhs)		
<b>Other Income</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Interest Income	300	382
Subsidy Income	(1)	66
Share of Profit/Loss from Cleanmax Harsha Solar LLP	17	84
Gain / (Loss) on Exchange Rate Fluctuation	394	472
Gain / (Loss) on Exchange Rate Fluctuation-Curr. Revaluation	(380)	536
Miscellaneous Income	42	42
<b>Other Income-Non -Operating</b>		
Gain / (Loss) on Sale of Investment	1	-
<b>Total Other Income</b>	<b>373</b>	<b>1,582</b>

**Note 22**

(Rs. In Lakhs)		
<b>Cost of Materials Consumed</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Cost of Material Consumed	29,382	29,974
<b>Total Cost of Materials Consumed</b>	<b>29,382</b>	<b>29,974</b>

**Note 23**

(Rs. In Lakhs)		
<b>Change In Inventories of Finished Goods &amp; Work-in-Progress</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Finished Goods Opening Stock	5565	7594
Less : Finished Goods Closing Stock	(7692)	(5565)
<b>Total</b>	<b>(2127)</b>	<b>2029</b>
Semi Finished Goods Opening Stock	975	542
Less : Semi Finished Goods Closing Stock	(905)	(975)
<b>Total</b>	<b>70</b>	<b>(433)</b>
Toolings Opening Stock	6690	6540
Less : Toolings Closing Stock	(6618)	(6690)
<b>Total</b>	<b>72</b>	<b>(150)</b>
<b>Total Change In Inventories of Finished Goods &amp; Work-In-Progress</b>	<b>(1985)</b>	<b>1446</b>

**Note 24**

(Rs. In Lakhs)		
<b>Employee Benefit Expenses</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Salaries, Wages & Bonus etc.	7,612	7,839
Contribution To PF, ESI etc.	689	686
Staff Welfare	670	519
<b>Total Employee Benefit Expenses</b>	<b>8,971</b>	<b>9,044</b>

**Note 25**

(Rs. In Lakhs)		
<b>Finance Costs</b>		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Interest Expense</b>		
On Term Loans	1,108	1,255
On Working Capital Loans	1,079	1,322
On Deposits	176	122
On Others	23	56
<b>Total</b>	<b>2,386</b>	<b>2,755</b>
<b>Other Borrowing Costs</b>		
Bank Charges & Processing Fees	268	277
Unwinding of discount on provision of Asset Retirement Obligation	2	2
<b>Total</b>	<b>270</b>	<b>279</b>
<b>Total Finance Costs</b>	<b>2,656</b>	<b>3,034</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 26**

**Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>(A) Stores &amp; Packing</b>		
Stores & Spares Consumed	2,178	2,153
Packing Materials Consumed	1,492	1,359
<b>Total (A)</b>	<b>3,670</b>	<b>3,512</b>
<b>(B) Power &amp; Fuel</b>		
Power & Fuel Expenses (Net)	1,441	1,409
<b>Total (B)</b>	<b>1,441</b>	<b>1,409</b>
<b>(C) Operative Expenses</b>		
Machinery Repairs & Maintenance	142	170
Civil and Fabrication Charges	12	73
Installation & Commissioning charges	215	516
Contractor-Labour Charges	1,756	1,954
Other Operative Expenses	239	279
<b>Total (C)</b>	<b>2,364</b>	<b>2,992</b>
<b>(D) Administrative &amp; Other Expenses</b>		
Advertisement & Sales Promotion	212	413
Celebration Expenses	16	23
Computer Expenses	152	173
Corporate Social Responsibility(CSR) (Refer Note -31.5)	332	68
Donations	-	2
Freight, Forwarding & Clearing Exp	2,519	2,066
IPO Related Expenses	-	353
Insurance Premium	149	145
Legal & Professional Exp #	662	303
Rent & Fleet Management Expenses	71	107
Loss / (Profit) on Sale of Fixed Assets	17	(1)
Repairs & Maintenance	143	171
Rates & Taxes	30	30
Security & Housekeeping Expenses	361	434
Stationery, Printing & Communication Expenses	87	101
Staff Training, Membership & Subscription	31	34
Sundry Balance write off /Bad debts (Net))	39	1,000
Provision for doubtful debts	10	(766)
Traveling & Conveyance Expenses	69	283
Miscellaneous expenses	312	289
<b>Total (D)</b>	<b>5,212</b>	<b>5,228</b>
<b>Total Other Expenses (A+B+C+D)</b>	<b>12,687</b>	<b>13,141</b>

**# Legal and Professional Expenses include:**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Payment to Statutory Auditor as :</b>		
a) Statutory Audit Fees	12	21
b) Other Services	2	10
c) Reimbursement of Expenses	-	-
<b>Total</b>	<b>14</b>	<b>31</b>

**Note 27**

**Earning Per Share**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Profit after tax attributable to Equity Holders	3,795	2,011
Weighted average number of Equity Shares for Basic EPS	50,000,000	35,000,000
Weighted average additional Potential Equity Shares Pursuant to the Scheme *	27,248,410	27,248,410
Weighted average number of Diluted Shares for Diluted EPS	77,248,410	62,248,410
Nominal value of equity share (Rs.) :	10.00	10.00
<b>Earnings Per Share (Rs.):</b>		
Basic	7.59	5.75
Diluted	4.91	3.23
[*] Refer Note-31.6		

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note 28 Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 01-Apr-20	For the year ended 31-Mar-21				As at 31-Mar-21		
		Recognised due to GAAP to IND AS	Recognised directly in Reserve	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>								
Fixed Assets	(907)	-	-	(114)	-	(1,021)	-	(1,021)
Lease Liability	76	-	-	(18)	-	59	59	-
Bonus and Ex-gratia Payable	13	-	-	(12)	-	1	1	-
Gratuity	108	-	-	43	-	151	151	-
Leave Encashment	52	-	-	11	-	63	63	-
ERF-Curr.Revaluation	(145)	-	-	72	-	(73)	-	(73)
ARO Provision	6	-	-	0	-	6	6	-
ARO Assets	(1)	-	-	0	-	(0)	-	(0)
Donation	(42)	-	-	42	-	-	-	-
Cummulative C/F Business Loss	1,619	-	-	(1,372)	-	247	247	-
Provision of doubtful Debts	149	-	-	3	-	151	151	-
O&M Income Receivable	(22)	-	-	3	-	(19)	-	(19)
Remeasurement of Gratuity (OCI)	60	-	-	-	16	76	76	-
Cash Flow Hedge (OCI)	105	-	-	-	(189)	(85)	-	(85)
<b>Deferred Tax assets/ (liabilities)</b>	<b>1,072</b>	<b>-</b>	<b>-</b>	<b>(1,343)</b>	<b>(173)</b>	<b>(444)</b>	<b>755</b>	<b>(1,199)</b>

Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 01-Apr-19	For the year ended 31-Mar-20*				As at 31-Mar-20*		
		Recognised due to GAAP to IND AS	Recognised directly in Reserve	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>								
Fixed Assets	(989)	-	-	82	-	(907)	-	(907)
Lease Liability	-	-	-	76	-	76	76	-
Bonus and Ex-gratia Payable	164	-	-	(151)	-	13	13	-
Gratuity	93	1	-	15	-	108	108	-
Leave Encashment	60	-	-	(8)	-	52	52	-
ERF-Curr.Revaluation	(14)	-	-	(130)	-	(145)	-	(145)
ARO Provision	7	-	-	(2)	-	6	6	-
ARO Assets	(1)	-	-	0	-	(1)	-	(1)
Derivative Assets	(164)	-	-	164	-	-	-	-
Donation	-	-	-	(42)	-	(42)	-	(42)
Cummulative C/F Business Loss	767	-	(30)	882	-	1,619	1,619	-
Provision of doubtful Debts	-	426	-	(278)	-	149	149	-
O&M Income Receivable	-	(29)	-	6	-	(22)	-	(22)
Remeasurement of Gratuity (OCI)	55	(1)	-	-	6	60	60	-
Cash Flow Hedge (OCI)	-	-	-	-	105	105	105	-
<b>Deferred Net tax assets/ (liabilities)</b>	<b>(21)</b>	<b>398</b>	<b>(30)</b>	<b>615</b>	<b>111</b>	<b>1,072</b>	<b>2,189</b>	<b>(1,116)</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 29**

**DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19**

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age	
Retirement Age	58 Years		58 Years	
Discount Rate	6.85% P.A.		6.85% P.A.	
Salary escalation	6% P.A.		5% to 6% P.A.	

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

(Rs. In Lakhs)

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in benefit obligation</b>				
Opening defined benefit obligation	1,357	328	1,202	294
Interest Cost	88	21	83	21
Current Service Cost	137	51	108	47
Benefit Paid	(63)	(83)	(132)	(90)
Actuarial Loss / (gain) on Obligations	-	-	64	19
Due to Experience adjustments	79	59	32	37
<b>Liability at the end of the period</b>	<b>1,598</b>	<b>377</b>	<b>1,357</b>	<b>328</b>

**Table showing change in Fair Value of Plan Assets**

Fair Value of Plan Assets at the beginning	687	124	776	117
Expected Return on Plan Assets	14	(5)	(28)	(6)
Contributions	8	0	8	5
Interest Income	47	9	55	9
Benefit paid	(63)	0	(123)	(0)
<b>Fair Value of Plan Assets at the end of the period</b>	<b>693</b>	<b>129</b>	<b>687</b>	<b>124</b>

(Rs. In Lakhs)

<b>Amount recognized in Balance Sheet</b>				
Liability at the end of the period	1,598	377	1,357	328
Fair Value of Plan Asset at the end of the period	693	129	687	124
<b>Net Amount recognized in Balance Sheet</b>	<b>905</b>	<b>249</b>	<b>670</b>	<b>204</b>

(Rs. In Lakhs)

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current Service cost	137	51	108	47
Interest cost	41	12	28	12
Expected return on Plan Asset	-	64	-	54
<b>Net Expense recognized in P&amp;L</b>	<b>178</b>	<b>128</b>	<b>136</b>	<b>113</b>
<b>Expense recognized in the Statement of Other Comprehensive Income</b>				
Due to change in financial assumption	-	-	65	-
Due to change in demographic assumption	-	-	(1)	-
Due to experience adjustment	79	-	32	-
Return on plan assets excluding amounts included in interest income	(14)	-	28	-
<b>Net Expense recognized in OCI</b>	<b>65</b>	<b>-</b>	<b>124</b>	<b>-</b>

**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. In Lakhs)

Gratuity	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount rate: 1%/-1%, (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	1,441	1,784	1,233	1,502
Salary growth rate: 1%/-1%, (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	1,783	1,439	1,503	1,231
Withdrawal/Attition Rate :50%/-50%, (FY2019-20: 50%/-50%)	1,609	1,583	1,378	1,332

Leave salary	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount rate 0.5%/-0.5% (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	256	322	302	375
Salary growth rate 0.5%/-0.5% (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	322	255	375	302
Withdrawal/Attition Rate 10%/-10% (FY2019-20: 50%/-50%)	293	278	343	327

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 30**

**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:

**A. Subsidiary/ Associate / Joint Venture**

Name of Entity	Type
Harsha Precision Bearing Components (China) Co., Ltd.	Subsidiary
Harsha Engineers BV (HEBV)	Subsidiary
Harsha Engineers Europe SRL	Step-down Subsidiary
HASPL Americas Corporations	Subsidiary
Cleanmax Harsha Solar LLP	Joint Venture
Sunstream Green Energy One Pvt. Ltd.	Associates

**Note :**

1 Pursuant to the Composite Scheme of Amalgamation and Arrangement sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order dated 23rd December 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date i.e 1st April 2020 and effective from 24th December 2021, HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Abakus Solar Private Limited (HASPL) effective from appointed date i.e 1st April 2020

2 Pursuant to the Scheme, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL becomes the subsidiaries of the Company with effect from 1st April 2020 i.e Appointed date.

3. The Board at its meeting held on 20th February 2021 approved the amalgamation of Harsha Engineers B.V. with the Company and their respective shareholders and creditors in accordance with the provision of Companies Act which is currently under process

4. Related Party Transactions (RPT) by the Company are also included RPT of Transferor Companies as per the Scheme for the reporting periods. It may be noted that as per the Scheme of Amalgamation approved by the NCLT, Ahmedabad Bench dated 23rd December 2021, RPT made by Transferor Companies during the respective reporting period are also considered as RPT with respect to the merged entity i.e Harsha Abakus Solar Private Limited

5. HACM Solar LLP, Joint Venture of the Company has been dissolved on 21st Oct 2021 and name has been struck off from the ROC.

[\*] Refer Note-31.6

B. Key Managerial Personnel:				C. Relative of Key Managerial Personnel:				
Rajendra Shantilal Shah 1	Chairman & Whole-time Director	Harish Rangwala 2	Managing Director	Rajendra Shantilal Shah HUF	Raag Shah	Suresh Jagjivandas Jasani	Lipsa Nayak	Shah Falgun Kalpeshbhai HUF
Vishal Harish Rangwala 3	Whole - time Director & CEO	Pilak Rajendra Shah 4	Whole - time Director & COO	Brijesh Purshottam Ukani HUF	Viha Brijesh Ukani	Maulik S Jasani (HUF)	Aayansh Mohanty	Upendrabhai Jasvantrai Upadhyay
Hetal Brijesh Ukani 5	Whole - time Director	Dilip Jayantilal Sanghvi 6	Independent Director	Kanubhai Shantilal Shah	Preya Brijesh Ukani	Madhurika Sureshbhai Jasani	Ravi Mohanty	Dinaben Upadhyay
Maulik Sureshkumar Jasani 7	Chief Financial Officer	Falgun Kalpeshbhai Shah 8	Chief Financial Officer	Manish Sanmukhlal Naik	Harish Ranjit Rangwala HUF (Karta)	Rinkal Maulik Jasani	Rashmita Nayak	Malay Upadhyay
Kiran Mohanty 9	Chief Compliance Officer & CS	Aastha Upadhyay 10	Company Secretary	Nirmala Rajendra Shah	Charusheela Harish Rangwala	Nitya Maulik Jasani	Sinny Nayak	Soham Naik
				Mili Yashpal Mehta	Tanvi Vishal Rangwala	Saurin Sureshbhai Jasani	Kirtiben Kalpeshbhai Shah	Vrunda Falgun Shah
				Yashpal M Mehta	Tarana Vishal Rangwala	P.C Mohanty	Vihaan Falgun Shah	Kalpeshbhai Vadilal Shah
				Vaishali Pilak Shah	Suresh J Jasani (HUF)	Nayana Mohanty	Nirali Dhaval Shah	

<sup>1</sup> Mr. Rajendra Shah is appointed as Whole Time Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>2</sup> Mr Harish Rangwala is appointed as Managing Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>3</sup> Mr. Vishal Rangwala is appointed as Additional Director of the company with effect from 12th August, 2021. He also appointed as CEO and Whole time Director with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>4</sup> Mr Pilak R Shah is appointed as Whole-time Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>5</sup> Ms Hetal Ukani has been appointed as Additional Director with effect from 21st November 2019. She also appointed as Whole time Director with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 30**

**Related party disclosures**

<sup>6</sup> Mr. Dilip Sanghvi has resigned from the position of Independent Director of the company with effect from 25th December 2021  
<sup>7</sup> Mr. Maulik Jasani is appointed as Chief Financial Officer of the company with effect from 25th December 2021  
<sup>8</sup> Mr. Falgun Shah has resigned from the position of Chief Financial Officer with effect from 25th December 2021  
<sup>9</sup> Mr. Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from 12th August, 2021.  
<sup>10</sup> Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from 15th March, 2021.  
 Note :Due to sudden demise of Mr. Munjal Rangwala on 20th March, 2021, ceased from the position of director from Company wef 26th March 2021

[\*] Refer Note-31.6

**D. Enterprise on which Directors and KMPs have significant influence and control:**

Crest Creative Unit	Vishal Rangwala Family Trust
Harsha Renewable Energy Private Limited*	Pilak Shah Family Trust
Daylight Solar Private limited	Munjal Rangwala Family Trust
Firstlight Asset Management Private Limited	Mili Mehta Family Trust
Hues Hub Online Private Limited	Hetal Ukani Family Trust
Advanttterra Capital Management LLP	Brijesh Charitable Trust
Meghna Developers Private Limited	Vakil Premji Ragahvji Thacker Education Foundation Charitable Trust
Meghna Organisers Private Limited	Munjal Rangwala Friendship foundation Charitable trust
Nirman Capital Services Private Limited	Aastha Charitable Trust for Welfare Mentally Challenged
Tridyam Infrastructures Private Limited	IMC of ITI Vadodara (Disable)
Harsha Abakus Solar Pvt. Ltd. Employee Group Gratuity Scheme	Institute Management Committee of ITI Bavla
Harsha Engineers Ltd - Group Gratuity Scheme	Changodar Green Enviro Project Association
Aastha Tools Pvt Ltd-Group Gratuity Scheme	Harsha Engineers Employees CO.OP. Credit Soc. Ltd

\*HREPL has filed the application for striking off the name on 19th October 2020 which is currently under process

**E. Transactions during the year with related parties:**

**1. Subsidiaries / Associate / Joint Venture Transactions:-**

(Rs. In Lakhs)

Particulars	Purchase of Goods / Job work / Service/ Assets / Reimbursement		Sales of Goods/ Assets/Lease Rent/ Reimbursement		Loans Given	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Cleanmax Harsha Solar LLP			0	16		
Harsha Precision Bearing Components (China) Co., Ltd.	33	7	316	441		245
Harsha Engineers Europe SRL.	111	180	235	693		

(Rs. In Lakhs)

Particulars	Loans Paid Back (Including Conversion)		Interest Income		Investment In Equity / Partner's Capital / Current A/c/ Share Profit from LLP	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Cleanmax Harsha Solar LLP					17	117
Sunstream Green Energy One Pvt. Ltd.					1	
HASPL Americas Corporations					66	
Harsha Precision Bearing Components (China) Co., Ltd.			72	78		

**2. Key Management Personnel Transactions**

(Rs. In Lakhs)

Particulars	Remuneration		Dividend Paid		Loan Accepted	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rajendra Shah	66	39		147	244	145
Harish Rangwala	66	39		223	150	1,180
Vishal Rangwala	172	54		8		
Pilak Shah	140	54		84		85
Late Munjal Rangwala	60	43		25		127
Hetal Ukani	63	11				
Maulik Jasani	46	43				
Falgun K. Shah	39	38				
Aastha U. Upadhyay	3	3				
Kiran Mohanty	15	14				

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**Note 30**  
Related party disclosures

(Rs. In Lakhs)

Particulars	Loans Repaid		Interest Paid	
	2020-21	2019-20	2020-21	2019-20
Rajendra Shah	14	600	17	-
Harish Rangwala	300	1,100	80	27
Pilak Shah		900		
Late Munjal Rangwala	63	400	8	5
Jitendra Mamtora				
Ambar Patel				
Kunal Shah				
Prof. Dr. Neharika Vohra				

Particulars	Loan Given		Interest Income		Loans Received Back	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Kiran Mohanty	1		0		0	

**3. Relative of Key Management Personnel Transactions**

Particulars	Dividend Paid		Deposits Accepted		Deposits Repaid	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Charusheela Rangwala		146		188		55
Tanvi Rangwala		17				
Nirmala Shah		126	250	126		
Mili Mehta		0			3	
Late Krina Shah		21			264	
Hetal Ukani		21			90	
Vaishali Shah		21				
Rajendra Shah (HUF)			17			

Particulars	Interest Paid		Salary		Purchase of Service	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Charusheela Rangwala		2				
Mili Mehta	0	0				
Late Krina Shah	1	2				
Hetal Ukani	6	10		18		
Vaishali Shah	1	1				
Rajendra Shah (HUF)	8	9				
Maulik S.Jasani (HUF)					3	3

**4. Enterprise on which Directors and KMPs have significant influence and control Transactions**

Particulars	Purchase of Goods / Job work / Assets / Reimbursement		Sales of Goods/ Assets/Lease Rent/ Reimbursement		Loans Given	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Crest Creative Unit	3	-				
Aastha Charitable Trust for Welfare Mentally	334	65				
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity	1	1				
Harsha Engineers Ltd - Group Gratuity Scheme	7	7				
Aastha Tools Pvt Ltd-Group Gratuity Scheme	0	0				
Harsha Renewable Energy Private Limited					0	
Daylight Solar Private Limited					0	
Firstlight Solar Private Limited					0	0

**F. Outstanding balance as at year end**

**1. Subsidiaries/ Associate / Joint Venture**

Particulars	Investment In Equity / Partner's Capital /Current A/c/ Share Profit from LLP			Loan & Advance		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
	Cleanmax Harsha Solar LLP	677	661	577		
Sunstream Green Energy One Pvt. Ltd.	1					
HASPL Americas Corporations	66					
Harsha Precision Bearings Components (China) Co. Ltd.	6,760	6,760	6,760	1,294	1,339	982
Harsha Engineers B.V.	11,053	11,053	11,053			

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note 30

Related party disclosures

Particulars	Interest Receivables on loan			Other Receivables		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Cleanmax Harsha Solar LLP				118	248	251
Harsha Precision Bearings Components (China) Co. Ltd.	202	400	273	186	538	467
Harsha Engineers B.V.	466	450	410			
Harsha Engineers Europe SRL				262	1,026	480

Particulars	Other Payables		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Harsha Precision Bearings Components (China) Co. Ltd.		1	40
Harsha Engineers Europe SRL	275	680	500

**2. Key Management Personnel**

Particulars	Loan			Interest Payable on Loan		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Rajendra Shah	327	97	552			
Harish Rangwala	1,403	1,553	1,473	4	6	
Pilak Shah	225	225	1,040			
Late Munjal Rangwala	93	156	429	0	1	

Particulars	Remuneration Payable			Loan Receivable		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Rajendra Shah	34	2	3			
Harish Rangwala	34	2	3			
Vishal Rangwala	124	2	3			
Pilak Shah	93	3	3			
Late Munjal Rangwala	18	2	2			
Hetal Ukani	2	2				
Maulik S.Jasani	2	2				
Falgun K. Shah	3	2	2			
Aastha U. Upadhyay	0	0	0			
Kiran Mohanty	1	1	1	1		

**3. Relative of Key Management Personnel Transactions**

Particulars	Deposit			Interest Payable on Deposit		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Charusheela Rangwala	236	236	55			
Nirmala R. Shah	478	228				
Mili Mehta	154	157	3		0	
Late Krina Shah		264	14		1	
Hetal Ukani	189	279	90		5	
Vaishali Shah	117	117	13		1	
Rajendra Shah (HUF)	99	82	82		4	

Particulars	Other Payable		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Maulik S.Jasani (HUF)	0	0	

**4. Enterprise on which Directors and KMPs have significant influence and control**

Particulars	Loan & Advance			Other Receivables		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Harsha Renewable Energy Private Limited	0					
Firstlight Solar Private Limited	0	0				
Aastha Charitable Trust for Welfare Mentally				0		

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note 31 Other Notes

**31.1. Foreign Currency**

**EARNING IN FOREIGN CURRENCY :**

(Rs. In Lakhs)

Particulars	2020-21	2019-20
Export Realisation	29,147	29,269
Advance Payment Return from Vendor		56
Interest on loan realised	251	-
<b>TOTAL</b>	<b>29,399</b>	<b>29,325</b>

**FOREIGN CURRENCY OUTGO :**

(Rs. In Lakhs)

Particulars	2020-21	2019-20
Towards Import	2,237	1,902
Towards Foreign Expenses	1,501	892
Equity Investment in Subsidiaries	67	-
Loan To Subsidiaries	-	245
Foreign Currency out flow/ (inflow/refund) towards foreign travelling	1	18
<b>TOTAL</b>	<b>3,806</b>	<b>3,056</b>

**31.2. Foreign Currency exposure at the year end not hedged by derivative instruments :**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Outstanding Foreign Receivables(Including Loans, if any)</b>			
- Receivable in USD	4,870,053	3,851,984	3,649,571
- Receivable in EUR	2,786,616	1,581,620	2,004,124
- Receivable in CNY	1,678,958	5,369,261	4,671,673
- Receivable in JPY	15,472,576	4,622,554	27,511,525
- Receivable in THB	2,892,347	-	-
- Receivable in AED			333,386
Equivalent Rs. In Lakhs (FEDAI rate considered)	<b>6,307</b>	<b>4,827</b>	<b>4,799</b>
<b>Outstanding Foreign Payables (Including Loans, if any)</b>			
- Payable in USD	67,054	-	687,582
- Payable in EUR	492,973	65,708	-
- Payable in SEK	163,619	834,599	47,111
- Payable in CNY	552,988	74,421	128,725
Equivalent Rs. In Lakhs (FEDAI rate considered)	<b>547</b>	<b>748</b>	<b>492</b>

**31.3. Leases**

With effect from 1st April, 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

**Disclosure in respect of assets taken on lease:**

I. The Company has not taken any asset being in the nature of finance lease.

II. The Company has acquired land on operating lease for the purpose of installation of

Date of lease agreement	21st September 2004
Period of lease agreement	Twenty Five Years
Total leasehold land	9.35 hectare
Lease rental p.a. (without Tax)	Rs. 18,150 per hectare p. a.
Total lease rental p.a. (without Tax)	Rs. 2 lakhs

III. The Company has acquired various cars for executives and some machines on operating

Period of lease agreement	Three to Five Years
Total leasehold Cars & Machines	39 Nos.
Total lease rental & fleet management charges (with Tax)	Rs. 135 lakhs

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**31.4. Contingent Liabilities, Contingent Assets and Capital Commitments**

Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts (net of advance, if any). Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

Particulars	(Rs. In Lakhs)		
	31-Mar-21	31-Mar-20*	01-Apr-19*
<b>(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>			
(i) Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	15,799	17,461	16,843
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	50	284	351
(iii) Claims against the company not acknowledged as debts:			
- Income Tax Matters	1,759	2,310	615
- Excise, Service Tax and GST Matters	106	99	33
- Sales Tax & Vat Matters	6	-	-
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others #	1,589	1,544	1,527
<b>(b) CAPITAL COMMITMENTS :</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	591	373	309

# It includes Rs. 15 Cr. of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt. Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSME Act. Thereafter, the Company had filed MSME case against OSPL for recovery of Rs. 6.86 Cr. and on conciliation fail at MSMEFC the matter was referred to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favor of the Company for recovery of Rs. 6.86 Cr. plus interest as per the said order dated 4th May 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by HASPL, Hearing on revival application is awaited.

Note : 1. All of the issue of litigation pertaining to Income tax are based on interpretation of the income tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Note : 2. Most of the issue of litigation pertaining to Central Excise/ Service tax are based on interpretation of the tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

**31.5. Corporate Social Responsibility (CSR) Expenses**

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company is not qualified for CSR under the Companies Act 2013 for the financial year 2020-21 in accordance with eligibility criteria provided therein as per the preceding financial year 2019-20. Refer below notes.

Details of CSR amount spent by the company (including Transferor Companies as per the Scheme) for the Financial Year 2020-21. It may be noted that as per the Composite Scheme of Amalgamation and Arrangement approved by the NCLT, Ahmedabad Bench dated 23rd December 2021 effective from 24th December 2021, the CSR spent by the company (including Transferor Company) from 01st April 2020 being the Appointed Date for the Scheme would be deemed to be the CSR spent with respect to the Company i.e Harsha Abakus Solar Private Limited.

Particulars	(Rs. In Lakhs)		
	31-Mar-21	31-Mar-20*	01-Apr-19*
1. Gross amount required to be spent by the company (including Transferor Company) during the year	162	156	102
2. Details of amount spent during the year:			
Anandham-Welfare of Mentally Challenged People (Aastha Charitable Trust for Welfare of the Mentally Challenged)	330	65	
Infrastructure Development undertaken at Changodar School, Ahmedabad (Yuva Unstoppable)	-	-	14
Swabhimani -to support girl child education (Smile Foundation)	0		
Dry ration kit to persons with disabilities during covid-19 pandemic (Blind People's Association (India))	2		
Enabling young Children from economically disadvantaged background to realize their potential. (Udbhav School)	-	3	2
Total amount spent during the year	332	68	16
3. Amount unspent/ (excess spent), if any	(170)	88	86
4. Provision movement during the year:			
Additions during the year	162	156	102
Utilised during the year *	(332)	(68)	(16)
Closing provision (Excess amount for set off.)	(170)	88	86

Note - Since the merged entity, was not eligible for CSR spent for the year 2020-21, the excess CSR spent by the Transferor Company (as per above table) would be treated as surplus and shall be available for next year.

\* Represents actual outflow during the year by the company (including Transferor Company)

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**31.6. Merger:**

Pursuant to the Composite Scheme of Amalgamation and Arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and Harsha Abakus Solar Private Limited (the Company) and their respective shareholders and creditors under section 230 to 232 read with section 61 and 66 alongwith other applicable provisions of the Companies Act, 2013 ("the Scheme"), ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020 and immediately upon effectiveness of the the same HEL and HSPPL (Amalgamating Companies) were merged into the Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23rd December 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in the Company as per the Scheme with effect from April 01, 2020, being the appointed date. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on 24th December 2021, being the effective date. The Scheme has accordingly been given effect to in these financial statements as per the accounting treatment approved in NCLT order and provided in the Scheme.

As Amalgamating Companies are under the common control of the shareholders, the Scheme has been accounted for in the books of the Company using Pooling of Interest method as prescribed in Appendix C to Ind AS-103 ["Business combinations of entities under common control"]. Accordingly,

- (1) The assets and liabilities pertaining to the Amalgamating Companies vested in the Company have been accounted as provided in the Scheme, at their respective carrying values as appearing in their respective books on the opening hours of business on April 01, 2020 being the Appointed Date.
- (2) The inter-corporate deposits/ loans and advances outstanding between the Amalgamating Companies and the Company inter-se have been cancelled.
- (3) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonies accounting policies.
- (4) The balance of the retained earnings appearing in the financial statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamating Companies or is adjusted against General Reserve.
- (5) The identity of the reserves are preserved and the reserves of the Amalgamating Companies become the reserves of the Company.
- (6) The surplus/deficit of the share capital of the Amalgamating Companies over the value of investments in the shares of these companies appearing in the books of the Company and cancelled pursuant to the Scheme has been adjusted in the "Capital Reserve Account" of the Company. Further, as a result of merger the net difference amounting to INR 604 lakhs was debited to the Capital Reserve.
- (7) The financial statements of the Company for the previous financial year i.e. 2019-20 have been restated as if this business combination through the Scheme had occurred from the beginning of the financial year 2019-20, i.e. 1st April 2019, as prescribed in the Appendix C to Ind AS-103.

The total consideration for amalgamation is Rs. 7225 lakhs, which is determined by exchange ratio of 3 shares of the Company against 1 share of HEL.

The book values of assets and liabilities acquired of Amalgamating Companies on merger, as at the appointed date i.e. 1 April 2020 has been provided below:

Particulars	(Rs. In Lakhs)
	As at 01/04/2020
Total Assets (A)	74198
Total Liabilities (B)	(32498)
<b>Net assets taken over (C=A+B)</b>	<b>41700</b>
Reserves of Amalgamating Companies vested in the Company (D)	(39268)
<b>Net Equity taken over (E=C+D)</b>	<b>2431</b>
Cancellation of Investments in equity of ATPL, HEIPL, HSSPL, held by the HEL or Company as the case may be (F)	(311)
<b>Share Capital Pending Reduction and Consolidation</b> (Reduction in Face Value from Rs.10 each to Re. 1 each of the Company followed by Consolidation of Re. 1 to Rs. 10) (G)	4500
<b>Share Capital Pending Allotment</b> (Being consideration for amalgamation, 3 Equity Shares of the Company against 1 Equity Share of HEL to Share Holders of HEL, which will be allotted on record date as per the Scheme) (H)	(7225)
<b>Difference on Amalgamation (Debited to the Capital Reserves) (I=E+F+G+H)</b>	<b>(604)</b>

**Scheme of Amalgamation**

The Company has also filed a Scheme of Amalgamation between Harsha Engineers B.V. and Harsha Abakus Solar Private Limited (the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 alongwith other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals ("the Scheme of Amalgamation").

The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation being effective, the assets and liabilities pertaining to the Harsha Engineers B.V. will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED****Notes to the Standalone Financial Statements for the year ended 31-Mar-21****31.7. Segment Reporting:**

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.

**31.8. Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitments affecting the financial position are disclosed in the Director's Report.

The Company has effected Business Combination through the Scheme having effective date of 24th December 2021 with effect from appointed date of 1st April 2020 which is events after the balance sheet date but before the financial statements were placed for approval before the Board of Directors. Existence for such event existed on the balance sheet date as the Scheme was filed before the appropriate authority and later on approved by the NCLT. Hence, such event is considered as an adjusting event and financials are shown as per the Ind AS requirements. While Scheme of Amalgamation for Harsha Engineers B.V. is still under NCLT approval and hence not considered as adjusting events.

**Change of Name of the Company :** As envisaged in the Composite Scheme of Amalgamation and Arrangement approved by NCLT vide its orders dated 23rd December 2021 and became effective from 24th December 2021, name of the Company shall stand changed to "Harsha Engineers International Limited" or any other name approved by the ROC after making required process and amendments to its Memorandum and Articles of Association.

**Conversion of Private Company into Public Company :** As envisaged in the Composite Scheme of Amalgamation and Arrangement approved by NCLT vide its orders dated 23rd December 2021 and became effective from 24th December 2021, the Company shall stand converted into Public Company by making required amendments to its Memorandum and Articles of Association

**Share Capital :** Pursuant to the Scheme the Paid-up Share Capital of the Company has been reduced from Rs. 50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores) equity shares of Rs 10/- (Rupees Ten only) each fully paid up to Rs. 5,00,00,000/- (Rupees five crores only) divided into 5,00,00,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid. Also pursuant to the aforesaid Scheme, the Company has issued 7,22,48,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3) on 25th December 2021. On account of this, share capital has been increased to Rs. 77,24,84,000/-.

**31.9** Previous year's figures have been regrouped / reclassified to make them comparable with those of the current reporting year, wherever necessary and Previous year's figures had been reported in INR and in current year it is reported in "Rs. in Lakhs", except otherwise provided.

**31.10** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the Company in initial periods by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The company has started production and other operations as per the Government / local body guidelines and approval.

Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and increase in financial risks. The company has specifically reviewed its assets to ensure and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

## HARSHA ABAKUS SOLAR PRIVATE LIMITED

### Notes to the Standalone Financial Statements for the year ended 31-Mar-21

#### Note 32

##### Explanation of transition to Ind AS

Harsha Abakus Solar Private Limited previously had prepared financial statements in accordance with the accounting standards specified under the section 133 of the Act read together with the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP or IGAAP) while the Company has voluntarily decided to adopt Ind AS accounting standards as specified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time along with the rules thereof or any other applicable rules or related requirements under the Act from the beginning of current financial year (2020-21) and accordingly Ind AS transition date is 01st April 2019. Accordingly, Harsha Abakus Solar Private Limited has prepared its first standalone financial statements in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 01st April 2019 (the Company's date of transition to Ind AS).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with the Indian GAAP. As the effect of the Scheme has been provided from the beginning of the preceding financial year (i.e. 1st April 2019) as per the requirement of appendix C of Ind AS 103, refer Note No. 31.6, and same is also a transition date to Ind AS for the Company, we have considered here balance under Indian GAAP only for the Companies (including transferor company) whose previous GAAP was under Indian GAAP and not Ind AS. Accordingly, balance under Indian GAAP shown in this note are respective balances of Harsha Abakus Solar Private Limited and Helianthus Solar Power Private Limited as per their previous GAAP as other companies being part of the Scheme are under Ind AS only. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

##### Exemption and exception applied

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

##### Optional exemptions

###### I. Property, Plant and Equipment (PPE)

Ind AS 101 provides the below options with respect to the items of PPE:

- Carry forward the previous GAAP carrying values as at the transition date as "deemed cost" under Ind AS, provided there is no change in functional currency.
- Fair value the items of PPE as at the transition date and use this as the "deemed cost" under Ind AS.
- Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The above options are available for intangible assets and investment property as well except fair value option not permitted for investment property.

The Company has opted to measure all the items of PPE at the previous GAAP carrying values as at the transition date.

###### II. Deemed cost for investments in equity shares of subsidiaries and associates

Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
- Fair value at the entity's date of transition to Ind AS
- Previous GAAP carrying amount

Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition.

The Company has opted to measure all the items of investments in equity shares of subsidiaries and associates at the previous GAAP carrying values as at the transition date.

##### Mandatory exceptions

Below are the key mandatory exceptions used in preparation of these financial statements:

###### A. Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

The Company's Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Discounted value of liability on account of decommissioning cost.
- Allocation of previous GAAP carrying values of fixed assets.

###### B. Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.



C. Reconciliation of equity as at 1 April, 2019				
Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		35	-	35
Capital Work-In-Progress		-	-	-
Other Intangible Assets		16	-	16
<b>Financial Assets</b>				
Investments		3	-	3
Loans & Advances		23	-	23
Other Tax Assets [Net]		179	-	179
Other Non-Current Assets		137	-	137
<b>Total Non-Current Assets</b>		<b>393</b>	<b>-</b>	<b>393</b>
<b>Current Assets</b>				
Inventories		903	-	903
<b>Financial Assets</b>				
Investments	32.6	692	(117)	575
Trade Receivables	32.5	14,239	(1,358)	12,881
Cash and Cash Equivalents		77	-	77
Other Bank Balances		1,236	-	1,236
Loans & Advances	32.2	466	92	558
Other Financial Assets		-	-	-
<b>Other Current Assets</b>		<b>2,877</b>	<b>-</b>	<b>2,877</b>
<b>Total Current Assets</b>		<b>20,489</b>	<b>(1,383)</b>	<b>19,106</b>
<b>TOTAL ASSETS</b>		<b>20,883</b>	<b>(1,383)</b>	<b>19,500</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,000	-	2,000
Other Equity		(845)	(1,015)	(1,859)
<b>Total Equity</b>		<b>1,155</b>	<b>(1,015)</b>	<b>141</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		3,375	-	3,375
Other Financial Liabilities		-	-	-
Provisions		39	-	39
Deferred Tax Liabilities (Net)	32.1	(782)	(368)	(1,150)
Other Non-Current Liabilities		7	-	7
<b>Total Non-Current Liabilities</b>		<b>2,639</b>	<b>(368)</b>	<b>2,271</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		7,842	-	7,842
Trade Payables		-	-	-
-Dues to Micro & Small Enterprises		284	-	284
-Dues to other than Micro & Small Enterprises		5,009	-	5,009
Other Financial Liabilities		1,182	-	1,182
Other Current Liabilities		2,760	-	2,760
Provisions		10	-	10
Current Tax Liabilities [Net]		-	-	-
<b>Total Current Liabilities</b>		<b>17,089</b>	<b>-</b>	<b>17,089</b>
<b>Total Liabilities</b>		<b>19,727</b>	<b>(368)</b>	<b>19,359</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,883</b>	<b>(1,383)</b>	<b>19,500</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

D. Reconciliation of equity as at 31 March, 2020				
Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		24	-	24
Capital Work-In-Progress		-	-	-
Goodwill on Consolidation		-	-	-
Other Intangible Assets		8	-	8
<b>Financial Assets</b>				
Investments		3	-	3
Loans & Advances		0	-	0
Other Tax Assets [Net]		103	-	103
Other Non-Current Assets		152	-	152
<b>Total Non-Current Assets</b>		<b>291</b>	<b>-</b>	<b>291</b>
<b>Current Assets</b>				
Inventories		658	-	658
<b>Financial Assets</b>				
Investments	32.6	639	20	658
Trade Receivables	32.5	10,574	(533)	10,041
Cash and Cash Equivalents		17	-	17
Other Bank Balances		1,078	-	1,078
Loans & Advances	32.2	488	89	577
Other Financial Assets		-	-	-
<b>Other Current Assets</b>	32.3	2,401	1	2,402
<b>Total Current Assets</b>		<b>15,854</b>	<b>(424)</b>	<b>15,430</b>
<b>TOTAL ASSETS</b>		<b>16,145</b>	<b>(424)</b>	<b>15,721</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		5,000	-	5,000
Other Equity		(4,323)	(328)	(4,651)
<b>Total Equity</b>		<b>677</b>	<b>(328)</b>	<b>349</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		2,250	-	2,250
Other Financial Liabilities		-	-	-
Provisions		49	-	49
Deferred Tax Liabilities (Net)	32.1	(1,673)	(96)	(1,769)
Other Non-Current Liabilities		8	-	8
<b>Total Non-Current Liabilities</b>		<b>634</b>	<b>(96)</b>	<b>538</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		6,358	-	6,358
Trade Payables		-	-	-
-Dues to Micro & Small Enterprises		226	-	226
-Dues to other than Micro & Small Enterprises		2,401	-	2,401
Other Financial Liabilities		2,044	-	2,044
Other Current Liabilities		3,777	-	3,777
Provisions		28	-	28
Current Tax Liabilities [Net]		-	-	-
<b>Total Current Liabilities</b>		<b>14,834</b>	<b>0</b>	<b>14,834</b>
<b>Total Liabilities</b>		<b>15,468</b>	<b>(96)</b>	<b>15,372</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,145</b>	<b>(424)</b>	<b>15,721</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**E. Statement of Reconciliation of Profit/Other Equity as at 31st March, 2020 and 1st April, 2019:**

The impact of the above Ind AS adjustment on other equity is as below:

Particulars	Foot note ref.	As at 31st March, 2020	As at 01st April, 2019
<b>Other equity as per previous GAAP (A)</b>		<b>(4,323)</b>	<b>(845)</b>
<b>Ind AS adjustments:</b>			
Changes for Provision of doubtful Debts	32.5	(532)	(1,358)
Changes in Revenue Recognition	32.2	89	92
Deferred Tax on transition to Ind AS	32.1	95	369
Deferred Tax On Re-Classification of Gratuity	32.1	1	(1)
Changes for Income from Associate LLP restated as per Ind AS	32.6	20	(117)
<b>Impact of total adjustments on account of Ind AS (B)</b>		<b>(328)</b>	<b>(1,015)</b>
<b>Other equity as per Ind AS (C) = (A) + (B)</b>		<b>(4,651)</b>	<b>(1,859)</b>

**F. Reconciliation of total comprehensive income for the year ended 31 March 2020**

Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>INCOME</b>				
Revenue from operations	32.2	6,423	(3)	6,419
Other income	32.6	59	137	196
Finance income		97	-	97
<b>TOTAL INCOME (A)</b>		<b>6,579</b>	<b>134</b>	<b>6,713</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		5,676	-	5,676
Employee Benefits Expenses	32.4	1,211	(7)	1,204
Finance costs		919	-	919
Depreciation and Amortization Expenses		18	-	18
Other Expenses	32.5	2,988	(825)	2,163
<b>TOTAL EXPENSES (B)</b>		<b>10,812</b>	<b>(832)</b>	<b>9,980</b>
<b>Profit/ (loss) before tax</b>		<b>(4,233)</b>	<b>966</b>	<b>(3,267)</b>
<b>Tax expense</b>				
Current Tax		(0)	-	(0)
Deferred Tax	32.1	(891)	274	(617)
MAT credit entitlement		137	-	137
<b>Profit/ (loss) after tax for the period (C)</b>		<b>(4,987)</b>	<b>1,240</b>	<b>(3,747)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments		-	-	-
Remeasurement of post-employment benefit obligations	32.4	-	(7)	(7)
Income tax relating to these items	32.1	-	2	2
<b>Other comprehensive income for the period, net of tax (D)</b>		<b>0</b>	<b>(5)</b>	<b>(5)</b>
<b>Total Comprehensive Income for the Period (C+D)</b>		<b>(4,987)</b>	<b>1,235</b>	<b>(3,752)</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

**32.1 Deferred Tax**

Under previous GAAP, Deferred Taxes were recognised based on Profit & Loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet approach i.e. tax impact on temporary difference between the carrying value of assets and liabilities in the books and their respective tax base.

**32.2 Straightlining of Operations and Maintenance Income**

Under previous GAAP, O&M Income was recognised on incremental rate basis but under Ind AS, such Income have been restated as per Straight Line Basis. Due to such effect there will be Increase in profit in the Initial years which will be reversed in the subsequent years. The Income for prior period have been added to the tune of ₹ 92,28,208 to Opening Reserves and Surplus at the transition date of Balance Sheet i.e 01/04/2019. Such Income will be reversed in the years following that date.

**32.3 Treatment of Lease**

Expenses in nature of lease which are paid upfront for the entire period of contract have now been amortised over the life of the contract. Under previous GAAP such expense was charged in the single year only.

**32.4 Remeasurement of Post Employment Benefit Obligations**

Under the previous GAAP, cost relating to Post Employment Benefit Obligations including actuarial gain / losses were recognised in Profit & Loss. Under Ind AS, actuarial gain / losses on the net Defined Benefit Liability are recognised in Other Comprehensive Income instead of Profit & Loss.

**32.5 Provision for Bad and Doubtful Debts**

Provision for Bad and Doubtful Debts have been reassessed for 01/04/2019 and 31/03/2020. In view of the same, there has been additional provision created for ₹ 13,57,65,588 on the transition date Balance Sheet i.e 01/04/2019 and reversed for ₹ 8,24,58,569 for the comparative period i.e period ending 31/03/2020

**32.6 Share of Income from Associate LLP restated as per Ind AS**

Under previous GAAP share of profit from associate LLP have been accounted for as per accounting standards of pervious GAAP which has now been restated to consider such subsidiary's profit derived by applying Ind AS principles

HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

Note 33

A. Financial instruments by category and their fair value

(Rs.in lakhs)

As at 31-Mar-21	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
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	250	-	250	250	-	-	250
Unquoted	-	-	18,558	18,558	-	-	-	-
<i>Loans</i>								
Non-Current	-	-	1,341	1,341	-	-	-	-
Current	-	-	1,154	1,154	-	-	-	-
<i>Trade Receivables</i>	-	-	16,452	16,452	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	2,543	2,543	-	-	-	-
<i>Other Bank Balances</i>	-	-	1,032	1,032	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	689	689	-	-	-	-
<b>Total financial assets</b>	-	250	41,769	42,019	250	-	-	250
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current	-	-	8,642	8,642	-	-	-	-
Current	-	-	14,290	14,290	-	-	-	-
<i>Other financial liabilities</i>								
Non-current	-	-	241	241	-	-	-	-
Current	-	(336)	8,118	7,782	(336)	-	-	(336)
<i>Trade Payables</i>	-	-	9,429	9,429	-	-	-	-
<b>Total financial liabilities</b>	-	(336)	40,720	40,384	(336)	-	-	(336)

(Rs.in lakhs)

As at 31-Mar-20*	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
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-	-	18,474	18,474	-	-	-	-
<i>Loans</i>								
Non-current	-	-	1,383	1,383	-	-	-	-
Current	-	-	1,490	1,490	-	-	-	-
<i>Trade Receivables</i>	-	-	19,736	19,736	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	1,727	1,727	-	-	-	-
<i>Other Bank Balances</i>	-	-	3,163	3,163	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	544	544	-	-	-	-
<b>Total financial assets</b>	-	-	46,517	46,517	-	-	-	-
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current	-	-	9,265	9,265	-	-	-	-
Current	-	-	19,035	19,035	-	-	-	-
<i>Other financial liabilities</i>								
Non-current	-	-	301	301	-	-	-	-
Current	-	416	9,539	9,955	416	-	-	416
<i>Trade Payables</i>	-	-	9,165	9,165	-	-	-	-
<b>Total financial liabilities</b>	-	416	47,305	47,721	416	-	-	416

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

(Rs.in lakhs)

As at 01-Apr-19*	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
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-	-	18,391	18,391	-	-	-	-
<i>Loans</i>								
Non-current	-	-	1,057	1,057	-	-	-	-
Current	-	-	1,606	1,606	-	-	-	-
<i>Trade Receivables</i>	-	-	22,759	22,759	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	461	461	-	-	-	-
<i>Other Bank Balances</i>	-	-	3,398	3,398	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	571	571	-	-	-	-
<b>Total financial assets</b>	-	-	<b>48,243</b>	<b>48,243</b>	-	-	-	-
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current	-	-	10,067	10,067	-	-	-	-
Current	-	-	20,539	20,539	-	-	-	-
<i>Other financial liabilities</i>								
Non-current	-	-	-	-	-	-	-	-
Current	-	(469)	8,302	7,833	(469)	-	-	(469)
<i>Trade Payables</i>	-	-	13,668	13,668	-	-	-	-
<b>Total financial liabilities</b>	-	<b>(469)</b>	<b>52,576</b>	<b>52,107</b>	<b>(469)</b>	-	-	<b>(469)</b>

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Investments in subsidiaries and equity accounted investees are carried at amortised cost.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**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**

**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

<b>Cross Currency Interest Rate Swaps</b>	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.
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**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Level 3 fair values**

Movements in the values of unquoted equity instruments for the period 31st March, 2020 and 31st March, 2021 is as below:

(Rs.in lakhs)	
Particulars	Amount
<b>As at 01-Apr-19*</b>	-
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
<b>As at 31-Mar-20*</b>	-
Acquisitions/ (disposals)	250
Gains/ (losses) recognised in other comprehensive income	0
<b>As at 31-Mar-21</b>	<b>250</b>

**Transfer out of Level 3**

There were no transfers out of level 3 during the year 2020-21 and 2019-20.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Standalone Financial Statements for the year ended 31-Mar-21

**C. Financial risk management**

The Company's principal financial liabilities comprises of loans & borrowings and trade & other payables. 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 trade & other receivables, cash & cash equivalents and investments 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 or counterparty to a financial instrument 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, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

**Trade receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods & services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

**Age of Receivables:**

**(Rs. in Lakhs)**

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
Not Due	9,583	7,374	7,347
0-3 Months	2,102	3,399	5,641
3-6 Months	343	330	566
6-12 Months	344	317	1,867
1-3 Years	254	7,454	6,548
>3 Years	3,826	862	790
<b>Total</b>	<b>16,452</b>	<b>19,736</b>	<b>22,759</b>

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

**Other financial assets**

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures as well as derivative instruments.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.

- Investments are made in credit worthy companies.

- Derivative instrument comprises cross currency interest rate swaps, forward contracts, options etc. where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

**(Rs.in lakhs)**

As at 31-Mar-21	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	8,642	8,642	-	8,642
Current borrowings	14,290	14,290	14,290	-
Non current financial liabilities	241	241	-	241
Current financial liabilities	8,118	8,118	8,118	-
Trade and other payables	9,429	9,429	9,429	-
<b>Total</b>	<b>40,720</b>	<b>40,720</b>	<b>31,837</b>	<b>8,883</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

As at 31-Mar-20*	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	9,265	9,265	-	9,265
Current borrowings	19,035	19,035	19,035	-
Non current financial liabilities	301	301	-	301
Current financial liabilities	9,539	9,539	9,539	-
Trade and other payables	9,165	9,165	9,165	-
<b>Total</b>	<b>47,305</b>	<b>47,305</b>	<b>37,739</b>	<b>9,566</b>

(Rs.in lakhs)

As at 01-Apr-19*	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	10,067	10,067	-	10,067
Current borrowings	20,539	20,539	20,539	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	8,302	8,302	8,302	-
Trade and other payables	13,668	13,668	13,668	-
<b>Total</b>	<b>52,576</b>	<b>52,576</b>	<b>42,509</b>	<b>10,067</b>

**(iii) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

**Currency risk**

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising out of the EURO, US Dollar, CNY & JPY. Accordingly, the foreign currency exposure and interest rate exposure has been hedged time to time as per the company's Risk management policy after evaluating the risk associated with.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

**Sensitivity**

The table below summarises the impact of increase / decrease of Debt funds and debt securities on the Companies' s Other Comprehensive Income for the period.

(Rs.in lakhs)

Particulars	Impact on Other Comprehensive Income		
	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Debt funds and debt securities – increase by 0.50% in fair market value	1	-	-
Debt funds and debt securities – decrease by 0.50% in fair market value	(1)	-	-

**D. Capital management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

The Company's debt to equity ratio on 31st March 21 is as follows:

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Debt *	25,422	32,230	34,571
Total equity	46,050	41,740	38,174
Debt to total equity ratio	0.55:1 times	0.77:1 times	0.91:1 times

\*Debt includes borrowings and current maturities of long term debt in other financial liabilities.

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

[\*] Refer Note-31.6

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Standalone Financial Statements for the year ended 31-Mar-21

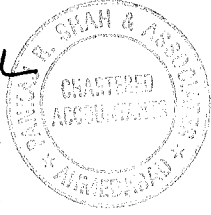
The accompanying notes (1 to 33) are integral part of the financial statements.

As per our report of even date attached  
**For Pankaj R. Shah & Associates**  
Chartered Accountants  
FRN No.: 107361W

**For and on behalf of the Board of Directors**  
Harsha Abakus Solar Private Limited  
(CIN : U29307GJ2010PTC063233)



**Chintan Shah**  
Managing Partner  
M. No. : 110142



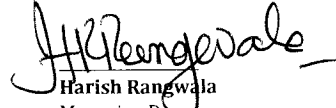
Date: 25-12-2021  
Place: Ahmedabad



**Rajendra Shah**  
Chairman  
DIN: 00061922



**Maulik Jasani**  
Chief Financial Officer  
Date: 25-12-2021  
Place: Ahmedabad



**Harish Rangwala**  
Managing Director  
DIN: 00278062



**Kiran Mohanty**  
Chief Compliance Officer & CS  
M. No.: F9907





# **Consolidated Financial Statements & Notes 2020-2021**

- Independent Auditors' Report on CFS
- Annexure to Independent Auditors' Report on CFS
- Consolidated Balance Sheet
- Consolidated Statement of Profit and Loss
- Consolidated Cash Flow Statement
- Consolidated of Changes in Equity
- Notes to the Consolidated Financial Statements

# Pankaj R. Shah & Associates

## Chartered Accountants

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

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

CA. Nilesh Shah  
B.Com., LL.B., F.C.A.

CA. Manali Shah  
B.Com., F.C.A.

CA. Sandip Gupta  
B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Near Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015. India. Phone : +91-79-2693 1024, 2693 1026, 2693 2587, Fax : +91-79-2693 2874 URL : <http://www.prsca.in>

### INDEPENDENT AUDITOR'S REPORT

To The Members of HARSHA ABAKUS SOLAR PRIVATE LIMITED,

#### Report on the audit of the Consolidated Ind AS Financial Statements: -

##### Opinion: -

We have audited the accompanying Consolidated Ind AS Financial Statements of HARSHA ABAKUS SOLAR PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, 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 Consolidated 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 31<sup>st</sup> March 2021, its profit 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.

##### Emphasis of matter: -

We draw attention to note - 33.6 in the accompanying Consolidated Ind AS Financial Statements which describes a composite scheme of arrangement involving inter alia the company and the related accounting treatment in respect of a common control business combination in accordance with certified order of the National Company Law Tribunal dated 23<sup>rd</sup> December, 2021 approving the same. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on December 24, 2021, being the effective date. The figures disclosed in the Ind AS Financial Statements for the year ended March 31, 2020 and Balance sheet as on transition date (i.e., April 1, 2019) have been restated to give effect to the common control combination in accordance with Ind AS 103.

Our opinion is not modified in respect of this matter.

The financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at April 1, 2019 included in these Ind AS financial statements are based on previously issued statutory financial statements for the years ended March 31, 2019 and March 31, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended). The adjustments to those financial statements for the differences in accounting policies adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

**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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information other than the Consolidated 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 Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 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 Consolidated 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 Consolidated Ind AS Financial Statements: -**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated 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 Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 Consolidated 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.

**Other Matters: -**

We did not audit the financial statements and other financial information, in respect of Harsha Precision Bearing Components (China) Co. Ltd. And Harsha Engineers Europe SRL subsidiaries, whose financial statements reflect total assets of Rs. 3,29,01,84,376 as at 31st March, 2021, total revenues of Rs. 2,97,56,81,809 and net cash inflows amounting to Rs. 1,30,64,806 for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements as at March 31, 2021. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries/associates/ joint ventures and joint operations are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries/associates/ joint ventures and joint operations located outside India from accounting

principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/associates/ joint ventures and joint operations located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The financial year of foreign subsidiaries is calendar year. In view of the same, audited accounts of the respective subsidiaries are prepared and audited as per the calendar year. However, for consolidation of annual accounts of HASPL, the relevant figures of foreign subsidiaries have been extracted from the audited annual accounts prepared as per the calendar year.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements: -**

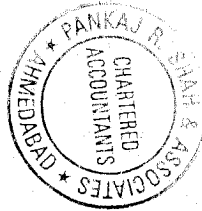

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of subsection 11 of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Consolidated Financial Statements.
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 Consolidated 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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; refer to our separate report in **Annexure - A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) 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, 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 has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.
- iii. The company is not requiring transferring any amount to the Investor Education and Protection fund.

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



CA Chintan Shah  
Partner  
(Membership No. 110142)  
UDIN: 21110142AAAAAS1723  
Place: Ahmedabad  
Date: 25-12-2021

**“ANNEXURE - A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARSHA ABAKUS SOLAR PRIVATE LIMITED REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of **HARSHA ABAKUS SOLAR PRIVATE LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation off financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

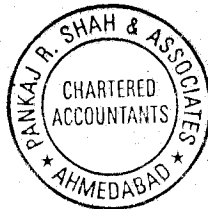
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



CA Chintan Shah  
Partner  
(Membership No. 110142)  
UDIN: 21110142AAAAAS1723  
Place: Ahmedabad  
Date: 25-12-2021



HARSHA ABAKUS SOLAR PRIVATE LIMITED

Consolidated Balance Sheet as at 31-Mar-21

(Rs. In Lakhs)

Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2	26,780	26,200	21,133
Capital Work-In-Progress		334	339	1,650
Goodwill on Consolidation	3	7,314	7,010	6,391
Other Intangible Assets	2	148	169	159
<b>Financial Assets</b>				
Investments	4	4	3	3
Loans & Advances	5	49	45	76
Other Tax Assets [Net]	6	993	1,062	468
Other Non-Current Assets	8	778	726	1,311
<b>Total Non-Current Assets</b>		<b>36,400</b>	<b>35,554</b>	<b>31,191</b>
<b>Current Assets</b>				
Inventories	9	26,753	23,193	24,029
<b>Financial Assets</b>				
Investments	4	925	658	575
Trade Receivables	10	21,389	23,866	28,330
Cash and Cash Equivalents	11	3,305	2,428	1,420
Other Bank Balances	11	1,225	3,285	3,398
Loans & Advances	5	488	708	1,459
Other Financial Assets	7	690	544	571
Other Current Assets	8	6,931	7,089	8,021
<b>Total Current Assets</b>		<b>61,706</b>	<b>61,771</b>	<b>67,803</b>
<b>TOTAL ASSETS</b>		<b>98,106</b>	<b>97,325</b>	<b>98,994</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	12	5,000	5,000	2,000
Other Equity	13	37,717	32,198	31,210
Non-Controlling Interest	14	0	0	0
<b>Total Equity</b>		<b>42,717</b>	<b>37,198</b>	<b>33,210</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	10,151	12,766	14,395
Other Financial Liabilities	19	818	706	-
Provisions	16	951	689	452
Deferred Tax Liabilities (Net)	17	200	(1,490)	(752)
Other Non-Current Liabilities	20	208	207	179
<b>Total Non-Current Liabilities</b>		<b>12,328</b>	<b>12,878</b>	<b>14,274</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	19,610	22,246	23,812
Trade Payables				
-Dues to Micro & Small Enterprises	18	425	386	450
-Dues to other than Micro & Small Enterprises	18	11,243	10,760	16,065
Other Financial Liabilities	19	7,714	8,035	6,468
Other Current Liabilities	20	3,981	5,519	4,477
Provisions	16	202	186	152
Current Tax Liabilities [Net]	21	(114)	117	86
<b>Total Current Liabilities</b>		<b>43,061</b>	<b>47,249</b>	<b>51,510</b>
<b>Total Liabilities</b>		<b>55,389</b>	<b>60,127</b>	<b>65,784</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,106</b>	<b>97,325</b>	<b>98,994</b>

Significant Accounting Policies

1

[\*] Refer Note-33.3

The accompanying notes (1 to 35) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

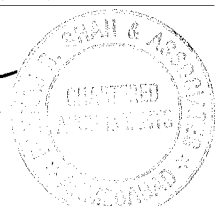
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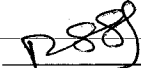
For and on behalf of the Board of Directors

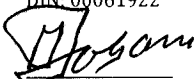
Harsha Abakus Solar Private Limited

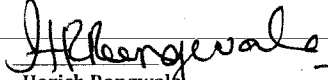
(CIN : U29307GJ2010PTC063233)

  
Chintan Shah  
Managing Partner  
M. No.: 110142



  
Rajendra Shah  
Chairman  
DIN: 00061922

  
Maulik Jasani  
Chief Financial Officer

  
Harish Rangwal  
Managing Director  
DIN: 00278062

  
Kiran Mohanty  
Chief Compliance Officer & CS  
M. No.: F9907

Date: 25-12-2021  
Place: Ahmedabad

Date: 25-12-2021  
Place: Ahmedabad

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

**Consolidated Statement of Profit and Loss for the year ended 31-Mar-21**

(Rs. In Lakhs)

Particulars	Notes	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>INCOME</b>			
Revenue from Operations	22	87,376	88,585
Other Income	23	298	1,365
<b>Total Income (A)</b>		<b>87,674</b>	<b>89,950</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	43,406	44,801
Change In Inventories of Finished Goods & Work-In-Progress	25	(1,933)	1,010
Employee Benefits Expenses	26	14,638	14,903
Finance Costs	27	3,000	3,281
Depreciation and Amortization Expenses	2	3,411	3,524
Other Expenses	28	19,081	19,273
<b>Total Expenses (B)</b>		<b>81,603</b>	<b>86,792</b>
<b>Profit/ (Loss) Before Tax (C)=(A-B)</b>		<b>6,071</b>	<b>3,158</b>
<b>Tax Expense</b>			
Current Tax		-	1,457
Deferred Tax	30	1,528	(627)
MAT Credit reversed/(availed)		-	137
<b>Total Tax Expense (D)</b>		<b>1,528</b>	<b>967</b>
<b>Profit/ (Loss) After Tax (E)=(D-C)</b>		<b>4,543</b>	<b>2,191</b>
Less: Profit transferred to Non-Controlling Interest		0	0
<b>Profit After Tax(After Non-Controlling Interest) (F)</b>		<b>4,543</b>	<b>2,191</b>
<b>Other Comprehensive Income</b>			
<b>i) Items that will be reclassified to profit or loss</b>			
Changes in fair value of FVTOCI equity instruments		-	-
Gains / (Loss) of Cashflow Hedge		753	(416)
Income tax relating to these items	30	(189)	105
<b>ii) Items that will not be reclassified to profit or loss</b>			
Remeasurement of post-employment benefit obligations	31	(65)	(124)
Income tax relating to these items	30	16	6
<b>Other Comprehensive Income, net of tax (G)</b>		<b>515</b>	<b>(429)</b>
<b>Total Comprehensive Income (F+G)</b>		<b>5,058</b>	<b>1,762</b>
<b>Earning Per Equity Share (EPS)</b>			
Basic (Rs.)	29	9.09	6.26
Diluted (Rs.)		5.88	3.52

Significant Accounting Policies

1

[\*] Refer Note-33.3

The accompanying notes (1 to 35) are integral part of the financial statements.

**As per our report of even date attached**

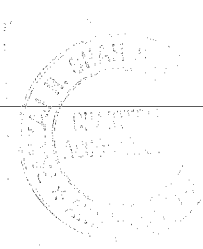
**For Pankaj R. Shah & Associates**

Chartered Accountants

FRN No.: 107361W

*gshah*

**Chintan Shah**  
Managing Partner  
M. No. : 110142



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

Harsha Abakus Solar Private Limited

(CIN : U29307GJ2010PTC063233)

*RShah*

**Rajendra Shah**  
Chairman  
DIN: 00061922

*HRangwala*

**Harish Rangwala**  
Managing Director  
DIN: 00278062

*MJasani*

**Maulik Jasani**  
Chief Financial Officer

*KMohanty*

**Kiran Mohanty**  
Chief Compliance  
Officer & CS  
M. No.: F9907

Date: 25-12-2021  
Place: Ahmedabad

Date: 25-12-2021  
Place: Ahmedabad

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

**Consolidated Cash flow Statement for the year ended 31-Mar-21**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax as per statement of Profit &amp; Loss</b>	6,071	3,158
<b>Adjustments for:</b>		
Depreciation, Amortisation, Depletion & Impairment	3,411	3,524
Interest Income	(228)	(304)
Finance Cost	3,000	3,281
Loss/(Profit) on Sale of Investment	(1)	-
Foreign Currency Translation Reserve	157	(180)
Bad debts/Provision for doubtful trade receivables	48	234
Share of Profit/Loss from Associates	(17)	(84)
Loss / (Profit) on Sale of Assets	14	43
<b>Operating Profit before Working Capital Changes</b>	12,455	9,672
<b>Adjustments for Changes in Working Capital</b>		
Inventories	(3,560)	836
Trade Receivables	2,429	4,230
Other Current / Non-Current Assets	301	920
Trade Payables	522	(5,369)
Other Current / Non-Current Liabilities	(1,539)	1,041
Provisions	838	(355)
Other Financial Liabilities	788	1,635
<b>Cash Generated from Operations</b>	12,234	12,610
Income Taxes Paid	(114)	(1,340)
<b>Net Cash Flow from Operating Activities (A)</b>	12,120	11,270
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(3,979)	(7,333)
Sale /(Purchase) of Other Investments	(266)	(83)
Loans and Advances (Net)	(56)	479
Investment in fixed deposits with bank (Net)	2,060	113
Interest Income	228	304
Share of Profit/Loss from Associates	17	84
<b>Net Cash Flow from Investing Activities (B)</b>	(1,996)	(6,436)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends Paid	-	(843)
Corporate Dividend Distribution Tax	-	(173)
Finance Cost	(3,000)	(3,281)
Borrowings (Net)	(6,248)	443
Availment/(Repayment) of Non-Current Liability	1	28
<b>Net Cash Flow from Financing Activities (C)</b>	(9,247)	(3,826)
<b>Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)</b>	877	1,008

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Consolidated Cash flow Statement for the year ended 31-Mar-21

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Cash and Cash Equivalents at the Beginning</b>		
Cash on Hand	18	10
Balances with Banks	2,410	1,410
	<b>2,428</b>	<b>1,420</b>
<b>Cash and Cash Equivalents at the End</b>		
Cash on Hand	6	18
Balances with Banks	3,299	2,410
	<b>3,305</b>	<b>2,428</b>

[\*] Refer Note-33.3

The accompanying notes (1 to 35) are integral part of the financial statements.

**For Pankaj R. Shah & Associates**

Chartered Accountants

FRN No.: 107361W

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

Harsha Abakus Solar Private Limited

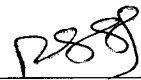
(CIN : U29307GJ2010PTC063233)



**Chintan Shah**

Managing Partner

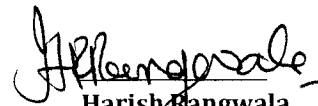
M. No. : 110142

**Rajendra Shah**

Chairman

DIN: 00061922



**Harish Bangwala**

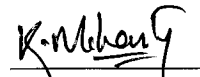
Managing Director

DIN: 00278062



**Maulik Jasani**

Chief Financial Officer



**Kiran Mohanty**

Chief Compliance  
Officer & CS

M. No.: F9907

Date: 25-12-2021

Place: Ahmedabad

Date: 25-12-2021

Place: Ahmedabad

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31-Mar-21

**A. Equity Share Capital**

Particulars	No. of Shares	Amount (Rs. in lakhs)
<b>Issued, Subscribed and Paid up Share Capital</b>		
Equity Shares of Rs. 10/- each fully paid up		
<b>As at 01-Apr-19*</b>	20,000,000	2,000
Add : Equity shares issued during the year on conversion of loan	30,000,000	3,000
<b>As at 31-Mar-20*</b>	50,000,000	5,000
Add : Equity shares issued during the year	-	-
<b>As at 31-Mar-21</b>	50,000,000	5,000

**B. Other Equity**

(Rs. In Lakhs)

Particulars	Share Capital Pending Reduction & Allotment	Reserves & Surplus					Other Comprehensive Income	Total Other Equity
		Capital Reserves	Security Premium	General Reserve	Foreign Currency Translation Reserve	Retained Earnings		
<b>Balance as at 01-Apr-19*</b>	-	-	75	2,575	787	26,726	(59)	30,104
Changes in accounting policy / standards	-	-	-	-	-	(1,017)	2	(1,015)
Add/ Less: Pursuant to merger *	2,725	(604)	-	-	-	-	-	2,121
<b>Restated balance as at 01-Apr-19*</b>	2,725	(604)	75	2,575	787	25,709	(57)	31,210
Profit for the year	-	-	-	-	-	2,191	-	2,191
Other comprehensive income for the year	-	-	-	-	-	-	(429)	(429)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	2,191	(429)	1,762
Addition /Deduction during the year	-	-	-	(194)	439	(3)	-	242
Utilised during the year	-	-	-	-	-	(1,016)	-	(1,016)
<b>Balance as at 31-Mar-20*</b>	2,725	(604)	75	2,381	1,226	26,881	(486)	32,198
Profit for the year	-	-	-	-	-	4,543	-	4,543
Other comprehensive income for the year	-	-	-	-	-	-	515	515
<b>Total comprehensive income for the year</b>	-	-	-	-	-	4,543	515	5,058
Addition /Deduction during the year	-	-	-	15	461	(15)	-	461
Transfer for Gratuity Actuarial Valuation	-	-	-	-	-	(29)	29	-
<b>Balance as at 31-Mar-21</b>	2,725	(604)	75	2,396	1,687	31,380	58	37,717

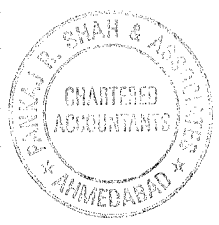
[\*] Refer Note-33.3

The accompanying notes (1 to 35) are integral part of the financial statements.

**For Pankaj R. Shah & Associates**

Chartered Accountants  
FRN No.: 107361W

**Chintan Shah**  
Managing Partner  
M. No. : 110142



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

Harsha Abakus Solar Private Limited  
(CIN : U29307GJ2010PTC063233)

**Rajendra Shah**  
Chairman  
DIN: 00061922

**Maulik Jasani**  
Chief Financial Officer

Date: 25-12-2021  
Place: Ahmedabad

**Harish Rangwala**  
Managing Director  
DIN: 00278062

**Kiran Mohanty**  
Chief Compliance Officer & CS  
M. No.: F9907

Date: 25-12-2021  
Place: Ahmedabad

**Note 1 Statement of significant Accounting policies and practices**

**I. GENERAL INFORMATION**

Harsha Abakus Solar Private Limited, is a private limited company, incorporated and domiciled in India, under the provisions of the Companies Act ("HASPL" or "the Company"). The company expresses itself as a Core Engineering as well as Solar-EPC and O&M company which focuses on continuous learning and developments, having experience to produce best Engineering products and provide best solar services as per customers requirement. Since its inception, the company undertakes turnkey projects, using solar photovoltaic (PV) technology, including polycrystalline and thin-film materials under its Solar EPC segment, ranging from KW scale to MW scale. The Company has merged the group companies having Engineering business which are in the manufacturer of bearing cages having materials in form of brass, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through our subsidiaries company. The registered office of the companies is located at Sarkhej-Bavla Road, P.O. Changodar, Ahmedabad-382213, Gujarat, India.

These Consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the "Group").

**II. BASIS OF PREPARATION**

**II.(a). Statement of compliance with Ind AS**

These consolidated 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')

**II.(b). Functional and presentation currency**

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

**II.(c). Basis of Measurement**

The consolidated 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 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

**II.(d). Use of Estimates and Judgements**

In preparing these consolidated financial statements, management has made judgments, 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.

**II.(e). Measurement of Fair Values**

The Group has established control framework with respect to the measurement of fair values. The Group 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 Group 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.

### **III. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis for Consolidation**

##### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### **Transactions eliminated on consolidation**

The Consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard-(Ind AS).

II. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end; any exchange difference arising on same is recognized in "Foreign Currency Translation Reserve".

III. The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

IV. Non-controlling interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Group.

V. Non-controlling interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's Shareholder.

VI. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

The financial year of foreign subsidiaries is calendar year. In view of the same, audited accounts of the respective subsidiaries are prepared and audited as per the calendar year. However, for consolidation of annual accounts of HASPL, the relevant figures of foreign subsidiaries have been extracted from the audited annual accounts prepared as per the calendar year.

#### **B. Foreign Currency**

Transactions in foreign currencies are translated into the functional currency of the Group 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. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary-assets and liabilities denominated in foreign currency at year end exchange rate are generally recognised in profit or loss. A Monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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. Financial Instruments**

##### **1. Financial Assets**

###### **i) Classification**

The Group 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 Group 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 Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**D. 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.

**E. 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 profit or loss.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**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).

Depreciation method followed by different companies of the Scheme are brought in line with the same method (i.e. Straight Line Method). Such change has been accounted for prospectively from F.Y 2020-21 as such change is considered as change in accounting estimate and the change is required to be applied prospectively in case of change in accounting estimate (as prescribed by guidance under Ind AS 8).

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.

Name of Subsidiaries	Basis of Depreciation
Harsha Engineers B.V (HEBV)	Straight Line Method
Harsha Precision Bearing Components (China) Co. Ltd. - HPBC(C)CL	Straight Line Method
Harsha Engineering Components (Changshu) Co. Ltd - HEC(C)CL^	Straight Line Method
HASPL Americas Corporations	Straight Line Method

Note : ^ Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co., Ltd. effective from 1st September 2019

[\*] Refer Note-33.3

**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.

**F. 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.

**G. 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, 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.

**H. Impairment**

**i. Impairment of Financial Assets**

The Group recognizes loss allowances for financial assets measured at amortized cost Using expected credit loss model. At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial assets, the Group measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forwardlooking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

**Measurement of Expected Credit Losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**ii. Impairment of Non-Financial Assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**I. The list of Subsidiary Companies included in consolidation of the Company are as under:**

Name of Subsidiaries	Country of Incorporation	Ownership Interest held by the company		
		31-Mar-21	31-Mar-20*	01-Apr-19*
Harsha Engineers B.V (HEBV)	Neatherland	100%	100%	100%
Harsha Precision Bearing Components (China) Co. Ltd. -HPBC(C)CL	China	100%	100%	100%
Harsha Engineering Components (Changshu) Co. Ltd -HEC(C)CL ^	China	N. A.	N. A.	100%
Harsha Engineers Europe SRL- HEESRL**	Romania	99.9999%	99.9999%	99.9999%
HASPL Americas Corporations	USA	100%		
Name of Subsidiaries	Country of Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		
		31-Mar-21	31-Mar-20*	01-Apr-19*
Harsha Engineers Europe SRL- HEESRL**	Romania	0.0001%	0.0001%	0.0001%

Note : ^ Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co., Ltd. effective from 1st September 2019

\*\* Subsidiary of Harsha Engineers B.V (HEBV) - Stepdown subsidiary of the company

**J. Employee Benefits**

**i. Short Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

**ii. Defined Contribution Plan**

The Company makes specified monthly contributions towards the provident fund. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii. Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**K. 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. Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

**L. 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 in case of domestic, such transfer occurs when the product is sold on ex-works; however, for exports 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.

**ii. 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.

**M. Recognition of Dividend Income, Interest Income**

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

**N. Income Tax**

The Group and other Indian subsidiaries:

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.

**Foreign Companies:**

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

**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 Group recognizes 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset 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.

**O. 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.

**P. Borrowing Cost**

Borrowing Cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) 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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**Q. Lease**

With effect from 1st April, 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet and recognition of Depreciation and Interest expenses in Profit & Loss A/c.

**Lease accounting****As a lessee**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**As a lessor****Finance lease**

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Operating lease**

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
- C. the lease asset capitalised and recognised as an asset in the books.

**R. 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 Group by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per Share is calculated by dividing profit after tax attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

**S. 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 Group are segregated.

**T. Business combinations**

**Business combinations : other than common control business combinations**

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

**Business Combinations : Common Control Transactions**

Business combinations involving entities that are controlled by the Group in which all the combining entities or businesses are ultimately controlled by the

1. The assets and liabilities of the combining entities are reflected at their carrying amounts.
2. No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Wherever any business combination is governed by the Scheme approved by the Hon'able High Court/ National Company Law Tribunal [NCLT], the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note : 2 Property, Plant & Equipment

For the year ended 31-Mar-21

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 01-Apr-20	Addition during the year	Disposal/Adjustment	Translation adjustment	As at 31-Mar-21	As at 01-Apr-20	For the year	Translation adjustment	Disposal/Adjustment	As at Mar-21	As at 31-Mar-21	As at 31-Mar-20
<b>Tangible Assets</b>												
Land	1,183	-	-	30	1,213	27	12	2	-	1,172	41	1,156
Buildings	9,759	449	2	145	10,351	2,313	375	8	-	7,655	2,696	7,446
Plant And Machinery	43,960	2,742	381	602	46,923	30,251	2,324	469	371	14,250	32,673	13,709
Furniture And Fittings	1,030	37	12	1	1,056	635	68	1	9	361	695	395
Vehicles	313	5	3	2	317	123	31	1	3	165	152	190
Office Equipments	453	14	33	6	440	337	28	5	30	100	340	116
Electric Installation	2,234	194	34	18	2,412	1,169	168	4	28	1,099	1,313	1,065
Computer & Peripherals	518	61	22	1	558	434	39	-	19	104	454	84
Solar Generation Plant	2,123	-	-	-	2,123	538	78	-	-	1,507	616	1,585
Wind Mill	573	-	-	-	573	410	21	-	-	142	431	163
Right of Use Assets-Lease	420	72	136	-	356	129	131	-	129	225	131	291
<b>TOTAL (A)</b>	<b>62,566</b>	<b>3,574</b>	<b>623</b>	<b>805</b>	<b>66,322</b>	<b>36,366</b>	<b>3,275</b>	<b>490</b>	<b>589</b>	<b>26,780</b>	<b>39,542</b>	<b>26,200</b>
<b>Other Intangible Assets</b>												
Computer software	970	54	26	9	1,007	801	65	6	13	148	859	169
<b>TOTAL (B)</b>	<b>970</b>	<b>54</b>	<b>26</b>	<b>9</b>	<b>1,007</b>	<b>801</b>	<b>65</b>	<b>6</b>	<b>13</b>	<b>148</b>	<b>859</b>	<b>169</b>
<b>TOTAL (A+B)</b>	<b>63,536</b>	<b>3,628</b>	<b>649</b>	<b>814</b>	<b>67,329</b>	<b>37,167</b>	<b>3,340</b>	<b>496</b>	<b>602</b>	<b>26,928</b>	<b>40,401</b>	<b>26,369</b>

For the year ended 31-Mar-20\*

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 01-Apr-19	Addition during the year	Disposal/Adjustment	Translation adjustment	As at 31-Mar-20	As at 01-Apr-19	For the year	Translation adjustment	Disposal/Adjustment	As at Mar-20	As at 31-Mar-20	As at 31-Mar-19
<b>Tangible Assets</b>												
Land	1,611	29	470	13	1,183	116	8	-	97	1,156	27	1,495
Buildings	6,097	3,538	8	132	9,759	2,069	231	15	2	7,446	2,313	4,028
Plant And Machinery	39,718	4,979	1,624	887	43,960	27,384	2,723	652	508	13,709	30,251	12,334
Furniture And Fittings	980	77	27	-	1,030	585	64	-	14	395	635	395
Vehicles	439	2	131	3	313	187	38	2	104	190	123	252
Office Equipments	397	46	1	11	453	306	24	8	1	116	337	91
Electric Installation	1,668	606	54	14	2,234	1,074	138	3	46	1,065	1,169	594
Computer & Peripherals	523	31	36	-	518	423	44	-	33	84	434	100
Solar Generation Plant	2,123	-	-	-	2,123	460	78	-	-	1,585	538	1,663
Wind Mill	573	-	-	-	573	390	20	-	-	163	410	183
Right of Use Assets-Lease	-	420	-	-	420	-	129	-	-	291	129	-
<b>TOTAL (A)</b>	<b>54,129</b>	<b>9,728</b>	<b>2,351</b>	<b>1,060</b>	<b>62,566</b>	<b>32,994</b>	<b>3,497</b>	<b>680</b>	<b>805</b>	<b>26,200</b>	<b>36,366</b>	<b>21,135</b>
<b>Other Intangible Assets</b>												
Computer software	947	65	8	(34)	970	789	61	(36)	13	169	801	158
<b>TOTAL (B)</b>	<b>947</b>	<b>65</b>	<b>8</b>	<b>(34)</b>	<b>970</b>	<b>789</b>	<b>61</b>	<b>(36)</b>	<b>13</b>	<b>169</b>	<b>801</b>	<b>158</b>
<b>TOTAL (A+B)</b>	<b>55,076</b>	<b>9,793</b>	<b>2,359</b>	<b>1,026</b>	<b>63,536</b>	<b>33,783</b>	<b>3,558</b>	<b>644</b>	<b>818</b>	<b>26,369</b>	<b>37,167</b>	<b>21,293</b>

[\*] Refer Note-33.3

Note : Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 3**

<b>Goodwill on Consolidation</b> (Rs. In Lakhs)			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Goodwill on Consolidation	7,314	7,010	6,391
<b>Total Goodwill on Consolidation</b>	<b>7,314</b>	<b>7,010</b>	<b>6,391</b>

**Note 4**

<b>Investments</b> (Rs. In Lakhs)			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
<b>Investments in Joint venture / Associates</b> (Measured at Amortised cost)			
<b>Sunstream Green Energy One Pvt. Ltd.</b>	1	-	-
2600 Equity shares of Rs. 10 each for 31st March, 2021 (Extent of Holding-26%) Principal Place of Business : India			
<b>Cleanmax Harsha Solar LLP - Capital A/c.</b>	3	3	3
Capital contribution of ₹250,000 (Voting Rights and Profit Sharing of 50%) Principal Place of Business : India			
<b>Total Non-Current Investments</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Current</b>			
<b>Mutual Fund</b>	250	-	-
(IDFC Overnight Fund - Direct Plan - Growth (Units-22772.014 & NAV @1097.8824))			
Cleanmax Harsha Solar LLP Current A/c	675	658	575
<b>Total Current Investments</b>	<b>925</b>	<b>658</b>	<b>575</b>

**Note 5**

<b>Loans &amp; Advances</b> (Rs. In Lakhs)			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
<b>(Unsecured, Considered Good)</b>			
Security Deposits	40	39	61
Loans to Employees	8	5	9
Other Loan & Advances	1	1	6
<b>Total Non-Current Loans &amp; Advances</b>	<b>49</b>	<b>45</b>	<b>76</b>
<b>Current</b>			
<b>(Unsecured, Considered Good)</b>			
Security Deposits	5	11	17
Loan To Employees	21	45	78
Share Issue Expenses #	-	-	309
Other Trade Receivable -Un billed Revenue	434	466	443
Other Trade Receivable -Subsidy Receivable	54	55	23
Interest & Other Income Receivable	(26)	131	589
<b>Total Current Loans &amp; Advances</b>	<b>488</b>	<b>708</b>	<b>1,459</b>

# Harsha Engineers Limited (One of the amlgamting company) had filed the Draft Red Herring Prospectus (DRHP) on August 21, 2018 and SEBI's DRHP approval has been expired in Oct'19. Consequent to the same, IPO related expenses incurred has been charged off to Profit & Loss a/c during the Financial Year 2019-20.

**Note 6**

<b>Other Tax Assets [Net]</b> (Rs. In Lakhs)			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Advance Payment of Tax ( Net of Provisions )	993	1,062	468
<b>Total Other Tax Assets [Net]</b>	<b>993</b>	<b>1,062</b>	<b>468</b>

**Note 7**

<b>Other Financial Assets</b> (Rs. In Lakhs)			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Current</b>			
Export Benefits Receivables	690	544	571
<b>Total Current Other Financial Assets</b>	<b>690</b>	<b>544</b>	<b>571</b>



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

<b>Note 8</b>			
<b>Other Non-Current Assets</b>			<b>(Rs. In Lakhs)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Capital Advances	184	100	1,116
Prepaid Expenses	141	152	-
MAT Credit Entitlement #	-	-	137
Long Term Deffered Expenses	453	474	58
<b>Total Other Non-Current Assets</b>	<b>778</b>	<b>726</b>	<b>1,311</b>
<b>Current</b>			
Balances With Government Authority	2,330	2,121	2,067
Prepaid Expenses	597	756	749
Advances To Suppliers	4,004	4,212	5,205
<b>Total Other Current Assets</b>	<b>6,931</b>	<b>7,089</b>	<b>8,021</b>
# As the Company has opted for lower tax regime in India from the financial year 2019-20 under which MAT carry forward is not allowed and accordingly provided MAT credit has been reversed in the books.			
<b>Note 9</b>			
<b>Inventories</b>			<b>(Rs. In Lakhs)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Raw Material	4,714	3,068	2,632
Semi Finished	2,286	2,337	1,560
Finished	9,895	7,934	10,009
Stores & Spares	1,535	1,420	1,437
Toolings	7,799	7,776	7,488
Project bought-out Components-Solar	524	658	903
<b>Total Inventories</b>	<b>26,753</b>	<b>23,193</b>	<b>24,029</b>
<b>Note 10</b>			
<b>Trade Receivables</b>			<b>(Rs. In Lakhs)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Unsecured and Considered Good</b>			
Trade Receivables	21,990	24,457	29,697
Less: Provision for doubtful trade receivables	601	591	1,367
<b>Total Trade Receivables</b>	<b>21,389</b>	<b>23,866</b>	<b>28,330</b>
<b>Age of Receivables:</b>			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Not Due	14,061	10,145	12,364
0-3 Months	2,291	3,818	6,023
3-6 Months	355	467	643
6-12 Months	353	830	1,897
1-3 Years	444	7,744	6,613
>3 Years	3,885	862	790
<b>Total</b>	<b>21,389</b>	<b>23,866</b>	<b>28,330</b>
<b>Note 11</b>			
<b>Cash and Bank Balances</b>			<b>(Rs. In Lakhs)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Cash and Cash Equivalents</b>			
Cash on Hand	6	18	10
Balances with Banks	3,299	2,410	1,410
<b>Total Cash and Cash Equivalents</b>	<b>3,305</b>	<b>2,428</b>	<b>1,420</b>
<b>Other Bank Balances</b>			
In Fixed Deposit Accounts #	1,225	3,285	3,398
<b>Total Other Bank Balances</b>	<b>1,225</b>	<b>3,285</b>	<b>3,398</b>
<b>Total Cash and Bank Balances</b>	<b>4,530</b>	<b>5,713</b>	<b>4,818</b>
<b># Note :</b>			
1. Lien Marked FD maintain as a margin money for Bank Gurantees, Letter of Credits and Overdraft facility.	877	2,854	3,059
2. Balance maintained in Debt Service Reserve Account as per sanction	193	256	125

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 12**

<b>Equity Share Capital</b>			
Particulars	(Rs. In Lakhs)		
	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Authorised Share Capital</b>			
Equity Number of shares	50,000,000	50,000,000	35,000,000
Equity Shares of Rs.10/ each	5,000	5,000	3,500
(Increased authorised share capital by 1,50,00,000 Equity Shares of Rs.10/ each in 2019-20)			
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>3,500</b>

Particulars	(Rs. In Lakhs)		
	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Issued, Subscribed and Paid up Capital</b>			
Equity Number of shares	50,000,000	50,000,000	20,000,000
Equity Shares of Rs. 10/- each	5,000	5,000	2,000
(Increased paid up share capital by 3,00,00,000 Equity Shares of Rs.10/ each in 2019-20)			
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>2,000</b>

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

Particulars	No. of shares	Amount
		(Rs.in Lakhs)
<b>As at 01-Apr-19*</b>		
At the beginning of the year	20,000,000	2,000
Add : Shares issued during the year on conversion of loan	30,000,000	3,000
<b>As at 31-Mar-20*</b>	<b>50,000,000</b>	<b>5,000</b>
<b>As at 01-Apr-20</b>		
At the beginning of the year	50,000,000	5,000
Add : Shares issued during the year	-	-
<b>As at 31-Mar-21</b>	<b>50,000,000</b>	<b>5,000</b>

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

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
	No. of shares	No. of shares	No. of shares
<b>Name of Shareholder</b>			
Mr. Harish Rangwala	13,255,348	12,999,900	1,999,900
Mr. Rajendra Shah	9,976,614	8,999,850	2,999,850
Ms. Charusheela Rangwala	8,679,792	1,999,900	1,999,900
Ms. Nirmala Shah	7,473,799	2,999,850	2,999,850
Mr. Pilak Shah	4,982,809	10,999,900	1,999,900
Mr. Vishal Rangwala	498,281	2,999,850	2,999,850
Mr.Munjhal Rangwala	1,494,843	6,999,850	2,999,850
<b>% Holding in Equity Shares</b>			
Mr. Harish Rangwala	26.51%	26.00%	10.00%
Mr. Rajendra Shah	19.95%	18.00%	15.00%
Ms. Charusheela Rangwala	17.36%	4.00%	10.00%
Ms. Nirmala Shah	14.95%	6.00%	15.00%
Mr. Pilak Shah	9.97%	22.00%	10.00%
Mr. Vishal Rangwala	1.00%	6.00%	15.00%
Mr.Munjhal Rangwala	2.99%	14.00%	15.00%

**Note 13**

<b>Other Equity</b>			
Particulars	(Rs. In Lakhs)		
	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Share Capital Pending Reduction & Allotment - Arising pursuant to the Scheme [ Refer Note 33.3 ]	2,725	2,725	2,725
Capital Reserves-Arising pursuant to the Scheme [ Refer Note 33.3 ]	(604)	(604)	(604)
Security Premium	75	75	75
General Reserve	2,396	2,381	2,575
Retained Earnings	31,380	26,881	25,709
Foreign Currency Translation Reserve	1,687	1,226	787
Other Comprehensive Income	58	(486)	(57)
<b>Total Other Equity</b>	<b>37,717</b>	<b>32,198</b>	<b>31,210</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Share Capital Pending Reduction &amp; Allotment</b>			
Opening Balance	2,725	2,725	-
Less: Reduction in Face Value of each equity shares from Rs.10 to Re.1 (Refer Note-33.3)	-	-	(4,500)
Add : For Amalgamation Consideration Allotment of Equity Shares of HASPL in the ratio 1:3 Equity Share to Equity Share Holder of HEL as on Record Date. (Refer Note-33.3)	-	-	7,225
<b>Total Share Capital Pending Reduction &amp; Allotment</b>	<b>2,725</b>	<b>2,725</b>	<b>2,725</b>
Share Capital Pending Reduction & Allotment represents Share Capital Pending Reduction in Face Value from Rs.10 to Re.1 of Harsha Abakus Solar Private Limited Equity and shares to be issued as consideration on merger to Share Holders of Harsha Engineers Limited. Since, the appointed date as per the Scheme is 1 April 2020 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, the scheme is required to be accounted from the beginning of the preceding period in the financial statements i.e. 1 April 2020, accordingly Capital reduction and shares to be issued on merger to Share Holders of Harsha Engineers Limited have been accounted as Share Capital Pending Reduction & Allotment on 1 April 2019. Share Capital Reduction in Face Value from Rs.10 to Re.1 on 24th December 2021 and the Company has issued shares as consideration on 25th December 2021 and , Accordingly, on 25th December 2021, the balance lying in Share Capital Pending Reduction & Allotment account has been transferred to equity share capital (Refer note 33.3).			
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Capital Reserves</b>			
Opening Balance	(604)	(604)	-
Add : Reduction in Face Value of each equity share from Rs.10 to Re.1 (Refer Note-33.3)	-	-	4,500
Less : Cancellation of Equity Shares vs Investment & Adjustment of Consideration (Refer Note-33.3)	-	-	(5,104)
<b>Total Capital Reserves</b>	<b>(604)</b>	<b>(604)</b>	<b>(604)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Security Premium</b>			
Opening Balance	75	75	75
<b>Total security premium</b>	<b>75</b>	<b>75</b>	<b>75</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>General Reserve</b>			
Opening Balance	2,381	2,575	2,575
Add: Transfer During the Year/(Reversal Of Merger Premium)	15	(194)	-
<b>Total General Reserve</b>	<b>2,396</b>	<b>2,381</b>	<b>2,575</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Retained Earnings</b>			
Opening Balance	26,881	25,709	25,709
Add: Profit during the year	4,543	2,191	-
Less : Utilised for Dividend Paid for last year	-	(843)	-
Less : Utilised for Dividend Distribution Tax Paid for last year	-	(173)	-
Less : Transfer To General Reserve	(15)	(3)	-
Less : Adjustment of Gratuity as per Actuarial Valuation Report	(29)	-	-
<b>Total Retained Earnings</b>	<b>31,380</b>	<b>26,881</b>	<b>25,709</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Foreign Currency Translation Reserve</b>			
Opening Balance	1,226	787	787
Increase/(Decrease) During the Year	461	439	-
<b>Total Reserves FCTR</b>	<b>1,687</b>	<b>1,226</b>	<b>787</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Other Comprehensive Income (OCI)</b>			
Opening Balance	(486)	(57)	(57)
Increase/(Decrease) During the Year	688	(540)	-
Adjustment of Gratuity as per Actuarial Valuation Report	29	-	-
Income Tax relating to above item	(173)	111	-
<b>Total Other Comprehensive Income (OCI)</b>	<b>58</b>	<b>(486)</b>	<b>(57)</b>
<b>Note 14</b>			
<b>Non-Controlling Interest</b>			<b>(Rs. In Lakhs)</b>
Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Non-Controlling Interest	0	0	0
<b>Total Non-Controlling Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>

HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 15

Borrowings

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current Borrowings</b>			
<b>Secured</b>			
From Citi Bank Europe PLC, Dublin, Romania	-	2,332	4,328
From RBL Bank Ltd	1,124	4,874	7,123
From RBL Bank Ltd (ECLGS 2.0)	1,006	-	-
From Export-Import Bank of India (EXIM BANK)	-	2,101	2,801
From State Bank of India, China	1,509	1,169	-
From HDFC Bank Ltd.	2,220	2,192	-
From HDFC Bank Ltd. (ECLGS 2.0)	4,244	-	-
From Kotak Mahindra Bank Limited	48	98	143
<b>Total Non-Current Borrowings</b>	<b>10,151</b>	<b>12,766</b>	<b>14,395</b>
<b>Current Borrowings</b>			
<b>Secured</b>			
<b>State Bank of India</b>	1,766	1,395	789
(For Harsha India Engineering Segment- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. and HDFC Bank Ltd. Collaterally secured by way of hypothecation over the entire plant & machinery of the Engineering Division's Changodar and Moraiya Plant (excluding Brass unit at Moraiya Plant hypothecated to Citibank NA. ; DGBB unit at Changodar Plant hypothecated to ICICI Bank Limited; Exclusive Assets hypothecated to HDFC Bank Limited) on pari passu basis with RBL Bank Limited ; For Harsha, China (HPBC(C)CL) -Secured by entire stocks, receivable and other current assets (existing and future), Land use rights, Fixed assets aquired in the project, existing machineries of China company and corporate guantee of the Solar Division.)			
<b>Citi Bank</b>	7,438	5,579	4,868
(For Harsha India Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Yes Bank Limited, RBL Bank Limited and HDFC Bank Limited; For Harsha China(HPBC(C)CL)-Secured against SBLC of Citi Bank N.A.; For Harsha, Romania(HEESRL)-Secured against SBLC of Citi Bank N.A.)			
<b>YES Bank Ltd</b>	1,464	2,994	2,983
(For Harsha India Engineering Segment Secured by hypothecation of entire current assets of of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., RBL Bank Limited and HDFC Bank Limited and for Solar Segment Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with RBL Bank Ltd. by hypothecation of Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future excluding project specific charge.)			
<b>RBL Bank Ltd</b>	2,446	3,722	5,305
(For Harsha India Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and HDFC Bank Limited and for Solar Segment Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with YES Bank Ltd by hypothecation of company's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future.)			

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

HDFC Bank Ltd (For Engineering Segment Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA, Yes Bank Limited and RBL Bank Limited and for Solar Segment Overdraft facility provided based on Fixed Deposit of Engineering Division)	600	1,634	1,397
<b>Industrial &amp; Commercial Bank of China (ICBC)</b> <b>Unsecured</b>	-	-	386
Loan from Directors	2,072	2,055	3,519
Deposit from Shareholders / Loan from Director's Relatives	1,824	1,917	1,606
Loan from Banks	2,000	2,950	2,959
<b>Total Current Borrowings</b>	<b>19,610</b>	<b>22,246</b>	<b>23,812</b>

**Major Terms And Conditions w.r.t. Non Current Borrowings**

**(1) Citi Bank Europe PLC, Dublin, Romania**

**a) Security:**

Secured against SBLC issued by CITIBank N.A., India. SBLC secured against various assets of the company, as mentioned below :

- 1) First pari passu charge alongwith Exim Bank of India on Land & Building of Changodar & Moraiya unit of Harsha Engineers Limited, India.
- 2) First pari passu charge alongwith Exim Bank of India on Plant & Machinery and other movable fixed assets of the Brass Unit of Harsha Engineers Limited, India.
- 3) Pledge of shares of Harsha Engineers BV, Netherland as well as Harsha Engineers Europe SRL pari passu with Exim Bank of India.
- 4) First pari passu charge alongwith Exim Bank of India on entire current assets of Harsha Engineers Europe SRL.
- 5) First pari passu charge alongwith Exim Bank of India on entire movable and immovable assets of Harsha Engineers Europe SRL.
- 6) Unconditional and irrevocable personal Guarantees of 1) Mr. Rajendra Shah and 2) Mr. Harish Rangwala. The said personal Guarantees will be released on completion of 18 months from the date of first disbursement, subject to compliance with all the financial and non financial covenants stipulated for the loan

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Re-schedulement : at the lender's discretion
- 2) Prepayment : Allowed after 2 years from drawdown at NIL cost, otherwise 2% of sanction amount or principal outstanding whichever is higher
- 3) Penalty : penalty will be @4% p.a. over the rate derived, on overdues/delays/default in payment of Installment
- 4) Default : No payment of principal or interest on due date, breach of financial covenants, misrepresentations, cross default and cross acceleration, Insolvency, unlawfulness, repudiation, failure in security perfection, Expropriation, Material adverse change, cessation of business foreign exchange restriction etc., Lender will have the right to dominate any of its officials as a nominee director on the board of the company in event of default.

**(2) RBL Bank Limited**

**a) Security:**

1) Exclusive charge by way of hypothecation over the entire Plant & Machinery created out of the term loan facility given by RBL Bank Limited. Collaterally secured by way of hypothecation over entire plant & machinery (present and future) of the company's Changodar & Moraiya Plant (excluding Brass unit at Moraiya plant, DGBB unit at Changodar plant and the assets hypothecated to any other lenders) pari passu with State Bank of India.

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Re-schedulement : at the lender's discretion
- 2) Prepayment : Prepayment penalty of 3% upto 31st March'2019 and thereafter prepayment allowed out of internal accruals
- 3) Default : No payment of principal or interest on due date, breach of financial covenants,

**(3) RBL Bank Limited (WCTL UNDER ECLG 2.0)- SOLAR Segment**

**a) Security:**

ECLGS Facility is secured by way of 1) second charge on all current assets of borrower both present and future 100% Cover by NCGTC under ECLGS Scheme, 2) Second charge on current assets of the borrower present and future

**(4) State Bank of India, Sanghai Branch, China**

**a) Security :**

- 1) Entire Stocks, receivable and other current assets-Existing & future of Harsha, China (HPBC(C)CL)
- 2) Land use rights located at east area of Fuhua Road, North area of Tonggang Road, Changshu Economic Development Zone, Changshu, PRC
- 3) Fixed assets acquired in the project of Harsha China (HPBC(C)CL)
- 4) Existing machineries of the merged entity i.e. Harsha China (HPBC(C)CL)
- 5) Corporate Guarantee of Harsha Engineers Ltd, India.

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

- 1) Total unsecured loan extended to the company should not be repaid during currency of parent company's advance (as per ABS the unsecured loan is RMB 9.75 million)
- 2) Default interests shall carry at the rate of 150% of loan contractual rate per annum, till date of payment of the defaulted amount.
- 3) If the credit rating awarded to the unit is below SB-10, the risk rating will be reviewed half yearly. The unit should provide necessary information to facilitate such a review. In the absence of half-yearly review for want of such information, the risk rating will automatically slip by one step.
- 4) Prepayment penalty of 1% of the prepaid amount would be charged. However, if the prepayment is made from the company's own sources no charges applicable.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**(5) HDFC Bank Limited**

**a) Security:**

1) Exclusive charge by way of hypothecation on the entire plant & Machinery created out of the term loan facility given by HDFC Bank Limited

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

1) Re-schedulement : at the lender's discretion

2) Prepayment : applicable @2% of amount prepaid in case prepaid initial within 2 years of loan tenure and NIL thereafter (if paid from own sources, internal accruals, equity)

3) Default : Any of the default event happen as per the agreement executed.

4) Any additional term loan borrowing by the company from any other lender should have a tenure no lesser than that of the TL being granted by HDFC Bank.

**(6) HDFC Bank Limited (WCTL UNDER ECLG 2.0)**

**a) Security:**

Extension of second ranking charge over existing primary and collateral securities created in favour of the Bank i.e. (1) Extension of second ranking charge over the current assets of the company including all stocks and book debts (both present and future) and (2) Extension of second ranking charge over the Plant & Machinery created out of the Term Loan Facility given by HDFC Bank

**b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc**

1) Re-schedulement : at the lender's discretion

2) Prepayment : No prepayment penalty shall be charged

3) Default : Any of the default event happen as per the agreement executed.

4) Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal loans, Home loans, Education loans to be obtained for self and family members.

**(7) Kotak Mahindra Bank Limited**

**a) Security:**

1) Secured by hypothecation of Staff buses availed out of the said term loans.

Rate of interest ranges from 1.50% to 11.00% p.a . On Long Term Borrowing

Rate of interest ranges from 10% to 11% p.a . On Loan from Directors.

Rate of interest ranges from 10% to 11% p.a . On Deposit from Shareholders.

**Terms of Repayments:**

**Non- Current Borrowing**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
1-2 Years	3,623	8,198	7,356
2-3 Years	2,390	2,634	6,241
3-4 Years	2,390	700	798
Beyond 4 Years	1,748	1,234	-
<b>Total</b>	<b>10,151</b>	<b>12,766</b>	<b>14,395</b>

Note: Non- Current Borrowing Repayments schedule dose not includes current maturity of term loan

Note: Under RBI notifications release time to time, regarding COVID19 regulatory package- rescheduling of payments, Engineering Division has availed moratorium from RBL bank for an amount of Rs.375 lakhs for effective period of 2 months. Also aviled moratorium from Exim Bank for an amount of Rs.700 lakhs for effective period of 6 months, which was fully paid lateron. Solar Division has availed moratorium from RBL bank for an amount of Rs.1125 lakhs for effective periods of 6 months

**Note 16**

**Provisions**

**(Rs. In Lakhs)**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-Current</b>			
Provision For Employees Benefits, Refer Note : 31	951	689	452
<b>Total Non-Current Provisions</b>	<b>951</b>	<b>689</b>	<b>452</b>
<b>Current</b>			
Provision For Employees Benefits, Refer Note : 31	202	186	152
<b>Total Current Provisions</b>	<b>202</b>	<b>186</b>	<b>152</b>

**Note 17**

**Deferred Tax Liability / (Asset)**

**(Rs. In Lakhs)**

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Deferred Tax Asset	999	2,606	1,949
<b>Total</b>	<b>999</b>	<b>2,606</b>	<b>1,949</b>
Deferred Tax Liability	1,199	1,116	1,197
<b>Total</b>	<b>1,199</b>	<b>1,116</b>	<b>1,197</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>200</b>	<b>(1,490)</b>	<b>(752)</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 18**

**Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-20*
Dues to Micro and Small Enterprises [*]	425	386	450
Dues to other than Micro and Small Enterprises	11,243	10,760	16,065
<b>Total Trade Payables</b>	<b>11,668</b>	<b>11,146</b>	<b>16,515</b>

**[\*] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March are provided as under for to the extent the Company has received intimation from the "Suppliers" regarding their status under the MSMED Act.**

A: Principal amount remaining unpaid to any supplier as at year end	425	386	450
B: Interest due thereon	-	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	64	-
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-	1

The above information has been compiled in respect of parties to the extent to which they could be identified as Suppliers under the Micro, Small and Medium Enterprises Act, on the basis of information available with the Company & provided by the supplier. All above information has been compiled, only after the information available with the company.

**Note 19**

**Other Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-current</b>			
Lease Liability	818	706	-
<b>Total Other Non-Current Financial Liabilities</b>	<b>818</b>	<b>706</b>	<b>-</b>
<b>Current</b>			
Current maturities of long term debt	5,088	6,197	6,265
Interest accrued but not due on borrowings	4	10	9
Interest accrued and due on borrowings	281	150	80
Accrued Expenses	2,677	1,262	583
Derivative Liability / (Asset)	(336)	416	(469)
<b>Total Other Current Financial Liabilities</b>	<b>7,714</b>	<b>8,035</b>	<b>6,468</b>

**Note 20**

**Other Liabilities**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Non-current</b>			
Contingent Deposit From Vendors	176	196	169
Advance from Staffs	32	11	10
<b>Total Non-Current Liabilities</b>	<b>208</b>	<b>207</b>	<b>179</b>
<b>Current</b>			
Statutory Liabilities	1,278	1,742	1,699
Advance from Customers	2,678	3,754	2,757
Asset Retirement Obligation - ARO	25	23	21
<b>Total Current Liabilities</b>	<b>3,981</b>	<b>5,519</b>	<b>4,477</b>

**Note 21**

**Current Tax Liabilities [Net]**

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Current</b>			
Provision for Taxation (Net of Advance Tax)	(114)	117	86
<b>Total Current Tax Liabilities [Net]</b>	<b>(114)</b>	<b>117</b>	<b>86</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 22**

(Rs. In Lakhs)		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Revenue from Operations</b>		
<b>Sales of Products &amp; Services</b>		
(a) Sale of Products	84,757	86,245
(b) Sale of Services	1,456	918
(c) Unbilled Revenue	(32)	23
<b>Total</b>	<b>86,181</b>	<b>87,186</b>
<b>Other Operating Revenues</b>		
Exports Benefits	1,003	1,198
Solar Power Generation	192	201
<b>Total</b>	<b>1,195</b>	<b>1,399</b>
<b>Total Revenue from Operations</b>	<b>87,376</b>	<b>88,585</b>

**Note 23**

(Rs. In Lakhs)		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Other Income</b>		
Interest Income	228	304
Subsidy Income	(1)	66
Share of Profit/Loss from Cleanmax Harsha Solar LLP	17	84
Share of Profit/Loss from Sunstream Green Energy One Pvt. Ltd.	0	-
Gain / (Loss) on Exchange Rate Fluctuation	394	472
Gain / (Loss) on Exchange Rate Fluctuation-Curr. Revaluation	(409)	386
Miscellaneous income	68	53
<b>Other Income-Non -Operating</b>		
Gain / (Loss) on Sale of Investment	1	-
<b>Total Other Income</b>	<b>298</b>	<b>1,365</b>

**Note 24**

(Rs. In Lakhs)		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Cost of Materials Consumed</b>		
Cost of Material Consumed	43,406	44,801
<b>Total Cost of Materials Consumed</b>	<b>43,406</b>	<b>44,801</b>

**Note 25**

(Rs. In Lakhs)		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Change In Inventories of Finished Goods &amp; Work-In-Progress</b>		
Finished Goods Opening Stock	7934	10009
Less : Finished Goods Closing Stock	(9895)	(7934)
<b>Total</b>	<b>(1961)</b>	<b>2075</b>
Semi Finished Goods Opening Stock	2337	1560
Less : Semi Finished Goods Closing Stock	(2286)	(2337)
<b>Total</b>	<b>51</b>	<b>(777)</b>
Toolings Opening Stock	7776	7488
Less : Toolings Closing Stock	(7799)	(7776)
<b>Total</b>	<b>(23)</b>	<b>(288)</b>
<b>Total Change In Inventories of Finished Goods &amp; Work-In-Progress</b>	<b>(1933)</b>	<b>1010</b>

**Note 26**

(Rs. In Lakhs)		
Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Employee Benefit Expenses</b>		
Salaries,Wages & Bonus etc.	13,232	13,623
Contribution To PF, ESI etc.	689	686
Staff Welfare	717	594
<b>Total Employee Benefit Expenses</b>	<b>14,638</b>	<b>14,903</b>



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 27**

**Finance Costs**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>Interest Expense</b>		
On Term Loans	1,235	1,304
On Working Capital Loans	1,225	1,464
On Deposits	176	122
On Others	23	56
	<b>2,659</b>	<b>2,946</b>
<b>Other Borrowing Costs</b>		
Bank Charges & Processing Fees	339	333
Unwinding of discount on provision of Asset Retirement Obligation	2	2
	<b>341</b>	<b>335</b>
<b>Total Finance Costs</b>	<b>3,000</b>	<b>3,281</b>

**Note 28**

**Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
<b>(A) Stores &amp; Packing</b>		
Stores & Spares Consumed	3,472	3,525
Packing Materials Consumed	1,737	1,601
<b>Total (A)</b>	<b>5,209</b>	<b>5,126</b>
<b>(B) Power &amp; Fuel</b>		
Power & Fuel Expenses (Net)	3,089	3,031
<b>Total (B)</b>	<b>3,089</b>	<b>3,031</b>
<b>(C) Operative Expenses</b>		
Machinery Repairs & Maintenance	875	619
Civil and Fabrication Charges	12	73
Installation & Commissioning charges	215	516
Contractor-Labour Charges	1,773	1,975
Other Operative Expenses	327	449
<b>Total (C)</b>	<b>3,202</b>	<b>3,632</b>
<b>(D) Administrative &amp; Other Expenses</b>		
Advertisement & Sales Promotion	228	304
Celebration Expenses	18	27
Computer Expenses	167	182
Corporate Social Responsibility(CSR)	332	68
Donations	2	5
Freight, Forwarding & Clearing Exp	3,036	2,572
IPO Related Expenses	-	353
Insurance Premium	242	280
Legal & Professional Exp	935	641
Rent & Fleet Management Expenses	770	837
Loss / (Profit) on Sale of Fixed Assets	14	43
Repairs & Maintenance	189	181
Rates & Taxes	109	42
Security & Housekeeping Expenses	462	532
Stationery, Printing & Communication Expenses	106	121
Staff Training, Membership & Subscription	34	49
Sundry Balance write off /Bad debts (Net))	1	1,000
Provision for doubtful debts	47	(766)
Traveling & Conveyance Expenses	79	363
Miscellaneous expenses	810	650
<b>Total (D)</b>	<b>7,581</b>	<b>7,484</b>
<b>Total Other Expenses (A+B+C+D)</b>	<b>19,081</b>	<b>19,273</b>

**Note 29**

**Earning Per Share**

(Rs. In Lakhs)

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Profit after tax attributable to Equity Holders	4,543	2,191
Weighted average number of Equity Shares for Basic EPS	50,000,000	35,000,000
Weighted average additional Potential Equity Shares Pursuant to the Scheme *	27,248,410	27,248,410
Weighted average number of Diluted Shares for Diluted EPS	77,248,410	62,248,410
Nominal value of equity share (Rs.) :	10.00	10.00
<b>Earnings Per Share (Rs.):</b>		
Basic	9.09	6.26
Diluted	5.88	3.52

[\*] Refer Note-33.3

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 30 Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 01-Apr-20	For the year ended 31-Mar-21				As at 31-Mar-21		
		Recognised due to GAAP to IND AS	Recognised directly in Reserve	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>								
Fixed Assets	(907)	-	-	(114)	-	(1,021)	-	(1,021)
Lease Liability	76	-	-	(18)	-	59	59	-
Bonus and Ex-gratia Payable	13	-	-	(12)	-	1	1	-
Gratuity	108	-	-	43	-	151	151	-
Leave Encashment	52	-	-	11	-	63	63	-
ERF-Curr.Revaluation	(145)	-	-	72	-	(73)	-	(73)
ARO Provision	6	-	-	0	-	6	6	-
ARO Assets	(1)	-	-	0	-	(0)	-	(0)
Donation	(42)	-	-	42	-	-	-	-
Cummulative C/F Business Loss	2,037	-	-	(1,557)	-	491	491	-
Provision of doubtful Debts	149	-	-	3	-	151	151	-
O&M Income Receivable	(22)	-	-	3	-	(19)	-	(19)
Remeasurement of Gratuity (OCI)	60	-	-	-	16	76	76	-
Cash Flow Hedge (OCI)	105	-	-	-	(189)	(85)	-	(85)
<b>Deferred Tax assets/ (liabilities)</b>	<b>1,490</b>	<b>-</b>	<b>-</b>	<b>(1,528)</b>	<b>(173)</b>	<b>(200)</b>	<b>999</b>	<b>(1,199)</b>

Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 01-Apr-19	For the year ended 31-Mar-20*				As at 31-Mar-20*		
		Recognised due to GAAP to IND AS	Recognised directly in Reserve	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>								
Fixed Assets	(989)	-	-	82	-	(907)	-	(907)
Lease Liability	-	-	-	76	-	76	76	-
Bonus and Ex-gratia Payable	164	-	-	(151)	-	13	13	-
Gratuity	93	1	-	15	-	108	108	-
Leave Encashment	60	-	-	(8)	-	52	52	-
ERF-Curr.Revaluation	(14)	-	-	(130)	-	(145)	-	(145)
ARO Provision	7	-	-	(2)	-	6	6	-
ARO Assets	(1)	-	-	0	-	(1)	-	(1)
Derivative Assets	(164)	-	-	164	-	-	-	-
Donation	-	-	-	(42)	-	(42)	-	(42)
Cummulative C/F Business Loss	1,173	-	(30)	894	-	2,037	2,037	-
Provision of doubtful Debts	-	426	-	(278)	-	149	149	-
O&M Income Receivable	-	(29)	-	6	-	(22)	-	(22)
Remeasurement of Gratuity (OCI)	55	(1)	-	-	6	60	60	-
Cash Flow Hedge (OCI)	-	-	-	-	105	105	105	-
<b>Deferred Tax assets/ (liabilities)</b>	<b>385</b>	<b>398</b>	<b>(30)</b>	<b>627</b>	<b>111</b>	<b>1,490</b>	<b>2,606</b>	<b>(1,116)</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 31

**DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19**

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age	
Retirement Age	58 Years		58 Years	
Discount Rate	6.85% P.A.		6.85% P.A.	
Salary escalation	6% P.A.		5% to 6% P.A.	

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

(Rs. In Lakhs)

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in benefit obligation</b>				
Opening defined benefit obligation	1,357	328	1,202	294
Interest Cost	88	21	83	21
Current Service Cost	137	51	108	47
Benefit Paid	(63)	(83)	(132)	(90)
Actuarial Loss / (gain) on Obligations	-	-	64	19
Due to Experience adjustments	79	59	32	37
<b>Liability at the end of the period</b>	<b>1,598</b>	<b>377</b>	<b>1,357</b>	<b>328</b>
<b>Table showing change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning	687	124	776	117
Expected Return on Plan Assets	14	(5)	(28)	(6)
Contributions	8	0	8	5
Interest Income	47	9	55	9
Benefit paid	(63)	0	(123)	(0)
<b>Fair Value of Plan Assets at the end of the period</b>	<b>693</b>	<b>129</b>	<b>687</b>	<b>124</b>

(Rs. In Lakhs)

<b>Amount recognized in Balance Sheet</b>				
Liability at the end of the period	1,598	377	1,357	328
Fair Value of Plan Asset at the end of the period	693	129	687	124
<b>Net Amount recognized in Balance Sheet</b>	<b>905</b>	<b>249</b>	<b>670</b>	<b>204</b>

(Rs. In Lakhs)

Particulars	2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current Service cost	137	51	108	47
Interest cost	41	12	28	12
Expected return on Plan Asset	-	64	-	54
<b>Net Expense recognized in P&amp;L</b>	<b>178</b>	<b>128</b>	<b>136</b>	<b>113</b>
<b>Expense recognized in the Statement of Other Comprehensive Income</b>				
Due to change in financial assumption	-	-	65	-
Due to change in demographic assumption	-	-	(1)	-
Due to experience adjustment	79	-	32	-
Return on plan assets excluding amounts included in interest income	(14)	-	28	-
<b>Net Expense recognized in OCI</b>	<b>65</b>	<b>-</b>	<b>124</b>	<b>-</b>

**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. In Lakhs)

Gratuity	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount rate: 1%/-1%, (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	1,441	1,784	1,233	1,502
Salary growth rate: 1%/-1%, (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	1,783	1,439	1,503	1,231
Withdrawal/Attition Rate :50%/-50%, (FY2019-20: 50%/-50%)	1,609	1,583	1,378	1,332
Leave salary	2020-21		2019-20	
	Increase	Decrease	Increase	Decrease
Discount rate 0.5%/-0.5% (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	256	322	302	375
Salary growth rate 0.5%/-0.5% (FY2019-20 : 0.5%/-0.5% to 1%/-1%)	322	255	375	302
Withdrawal/Attition Rate 10%/-10% (FY2019-20: 50%/-50%)	293	278	343	327

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**Note 32**

**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:

**A. Subsidiary / Associate / Joint Venture**

Name of Entity	Type
Harsha Precision Bearing Components (China) Co., Ltd.	Subsidiary
Harsha Engineers B.V (HEBV)	Subsidiary
Harsha Engineers Europe SRL	Step-down Subsidiary
HASPL Americas Corporations	Subsidiary
Cleanmax Harsha Solar LLP	Joint Venture
Sunstream Green Energy One Pvt. Ltd.	Associates

**Note :**

1 Pursuant to the Composite Scheme of Amalgamation and Arrangement sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order dated 23rd December 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date i.e 1st April 2020 and effective from 24th December 2021, HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Abakus Solar Private Limited (HASPL) effective from appointed date i.e 1st April 2020

2 Pursuant to the Scheme, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL becomes the subsidiaries of the Company with effect from 1st April 2020 i.e Appointed date.

3. The Board at its meeting held on 20th February 2021 approved the amalgamation of Harsha Engineers B.V. with the Company and their respective shareholders and creditors in accordance with the provision of Companies Act which is currently under process

4. Related Party Transactions (RPT) by the Company are also included RPT of Transferor Companies as per the Scheme for the reporting periods. It may be noted that as per the Scheme of Amalgamation approved by the NCLT, Ahmedabad Bench dated 23rd December 2021, RPT made by Transferor Companies during the respective reporting period are also considered as RPT with respect to the merged entity i.e Harsha Abakus Solar Private Limited

5. HACM Solar LLP, Joint Venture of the Company has been dissolved on 21st Oct 2021 and name has been struck off from the ROC .

[\*] Refer Note-33.3

B. Key Managerial Personnel:				C. Relative of Key Managerial Personnel:				
Rajendra Shantilal Shah <sup>1</sup>	Chairman & Whole-time Director	Harish Rangwala <sup>2</sup>	Managing Director	Rajendra Shantilal Shah HUF	Raag Shah	Suresh Jagjivandas Jasani	Lipsa Nayak	Shah Falgun Kalpeshbhai HUF
Vishal Harish Rangwala <sup>3</sup>	Whole - time Director & CEO	Pilak Rajendra Shah <sup>4</sup>	Whole - time Director & COO	Brijesh Purshottam Ukani HUF	Viha Brijesh Ukani	Maulik S Jasani (HUF)	Aayansh Mohanty	Upendrabhai Jasvantrai Upadhyay
Hetal Brijesh Ukani <sup>5</sup>	Whole - time Director	Dilip Jayantilal Sanghvi <sup>6</sup>	Independent Director	Kanubhai Shantilal Shah	Preya Brijesh Ukani	Madhurika Sureshbhai Jasani	Ravi Mohanty	Dinaben Upadhyay
Maulik Sureshkumar Jasani <sup>7</sup>	Chief Financial Officer	Falgun Kalpeshbhai Shah <sup>8</sup>	Chief Financial Officer	Manish Sanmukhlal Naik	Harish Ranjit Rangwala HUF (Karta)	Rinkal Maulik Jasani	Rashmita Nayak	Malay Upadhyay
Kiran Mohanty <sup>9</sup>	Chief Compliance Officer & CS	Aastha Upadhyay <sup>10</sup>	Company Secretary	Nirmala Rajendra Shah	Charusheela Harish Rangwala	Nitya Maulik Jasani	Sinny Nayak	Soham Naik
				Mili Yashpal Mehta	Tanvi Vishal Rangwala	Saurin Sureshbhai Jasani	Kirtiben Kalpeshbhai Shah	Vrunda Falgun Shah
				Yashpal M Mehta	Tarana Vishal Rangwala	P.C Mohanty	Vihaan Falgun Shah	Kalpeshbhai Vadilal Shah
				Vaishali Pilak Shah	Suresh J Jasani (HUF)	Nayana Mohanty	Nirali Dhaval Shah	

<sup>1</sup> Mr. Rajendra Shah is appointed as Whole Time Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>2</sup> Mr Harish Rangwala is appointed as Managing Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>3</sup> Mr. Vishal Rangwala is appointed as Additional Director of the company with effect from 12th August, 2021. He also appointed as CEO and Whole time Director with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>4</sup> Mr Pilak R Shah is appointed as Whole-time Director of the Company with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

<sup>5</sup> Ms Hetal Ukani has been appointed as Additional Director with effect from 21st November 2019. She also appointed as Whole time Director with effect from 25th December 2021 subject to the consent of shareholder meeting in the ensuing Annual General Meeting of the Company

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 32

**Related party disclosures**

<sup>6</sup> Mr. Diliip Sanghvi has resigned from the position of Independent Director of the company with effect from 25th December 2021

<sup>7</sup> Mr. Maulik Jasani is appointed as Chief Financial Officer of the company with effect from 25th December 2021

<sup>8</sup> Mr. Falgun Shah has resigned from the position of Chief Financial Officer with effect from 25th December 2021

<sup>9</sup> Mr. Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from 12th August, 2021.

<sup>10</sup> Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from 15th March, 2021.

Note :Due to sudden demise of Mr. Munjal Rangwala on 20th March, 2021, ceased from the position of director from Company wef 26th March 2021

**D. Enterprise on which Directors and KMPs have significant influence and control:**

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

\*HREPL has filed the application for striking off the name on 19th October 2020 which is currently under process

**E. Transactions during the year with related parties:**

**1. Subsidiaries / Associate / Joint Venture Transactions:-**

(Rs. In Lakhs)

Particulars	Purchase of Goods / Job work / Service/ Assets / Reimbursement		Sales of Goods/ Assets/Lease Rent/ Reimbursement		Investment In Equity / Partner's Capital /Current A/c/ Share Profit from LLP	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Cleanmax Harsha Solar LLP			0	16	17	117
Sunstream Green Energy One Pvt. Ltd.					1	

**2. Key Management Personnel Transactions**

(Rs. In Lakhs)

Particulars	Remuneration		Dividend Paid		Loan Accepted	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rajendra Shah	66	39		147	244	145
Harish Rangwala	66	39		223	150	1,180
Vishal Rangwala	172	54		8		
Pilak Shah	140	54		84		85
Late Munjal Rangwala	60	43		25		127
Hetal Ukani	63	11				
Maulik Jasani	46	43				
Falgun K. Shah	39	38				
Aastha U. Upadhyay	3	3				
Kiran Mohanty	15	14				

(Rs. In Lakhs)

Particulars	Loans Repaid		Interest Expense	
	2020-21	2019-20	2020-21	2019-20
Rajendra Shah	14	600	17	-
Harish Rangwala	300	1,100	80	28
Pilak Shah	-	900	-	-
Late Munjal Rangwala	63	400	8	5

(Rs. In Lakhs)

Particulars	Loan Given		Interest Income		Loans Received Back	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Kiran Mohanty	1		0		0	

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 32

Related party disclosures

**3. Relative of Key Management Personnel Transactions**

(Rs. In Lakhs)

Particulars	Dividend Paid		Deposits Accepted		Deposits Repaid	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Charusheela Rangwala		146		188		55
Tanvi Rangwala		17				
Nirmala Shah		126	250	126		
Mili Mehta		0			3	
Late Krina Shah		21			264	
Hetal Ukani		21			90	
Vaishali Shah		21				
Rajendra Shah (HUF)			17			

(Rs. In Lakhs)

Particulars	Interest Expense		Salary		Purchase of Service	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Charusheela Rangwala		2				
Mili Mehta	0	0				
Late Krina Shah	1	2				
Hetal Ukani	6	10		18		
Vaishali Shah	1	1				
Rajendra Shah (HUF)	8	9				
Maulik S.Jasani (HUF)					3	3

**4. Enterprise on which Directors and KMPs have significant influence and control Transactions**

(Rs. In Lakhs)

Particulars	Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR		Sales of Goods/ Assets/Lease Rent/ Reimbursement		Loans Given	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Crest Creative Unit	3					
Aastha Charitable Trust for Welfare Mentally	334	65				
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity	1	1				
Harsha Engineers Ltd - Group Gratuity Scheme	7	7				
Aastha Tools Pvt Ltd-Group Gratuity Scheme	0	0				
Harsha Renewable Energy Private Limited					0	
Daylight Solar Private Limited					0	
Firstlight Solar Private Limited					0	0

**F. Outstanding balance as at year end**

**1. Subsidiaries/ Associate / Joint Venture**

(Rs. In Lakhs)

Particulars	Investment In Equity / Partner's Capital /Current A/c/ Share Profit from LLP			Other Receivables		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Cleanmax Harsha Solar LLP	677	661	577	118	248	251
Sunstream Green Energy One Pvt. Ltd.	1					

**2. Key Management Personnel**

(Rs. In Lakhs)

Particulars	Loan			Interest Payable on Loan		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Rajendra Shah	327	97	552			
Harish Rangwala	1,403	1,553	1,473	4	6	
Pilak Shah	225	225	1,040			
Late Munjal Rangwala	93	156	429	0	1	

(Rs. In Lakhs)

Particulars	Remuneration Payable			Loan Receivable		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Rajendra Shah	34	2	3			
Harish Rangwala	34	2	3			
Vishal Rangwala	124	2	3			
Pilak Shah	93	3	3			
Late Munjal Rangwala	18	2	3			
Hetal Ukani	2	2				
Maulik S.Jasani	2	2				
Falgun K. Shah	3	2	2			
Aastha U. Upadhyay	0	0	0			
Kiran Mohanty	1	1	1	1		

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 32

Related party disclosures

**3. Relative of Key Management Personnel Transactions**

(Rs. In Lakhs)

Particulars	Deposit			Interest Payable on Deposit		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Charusheela Rangwala	236	236	55	-	-	-
Nirmala R. Shah	478	228				
Mili Mehta	154	157	3	-	0	-
Late Krina Shah	-	264	14	-	1	-
Hetal Ukani	189	279	90	-	5	-
Vaishali Shah	117	117	13	-	1	-
Rajendra Shah (HUF)	99	82	82	-	4	-

(Rs. In Lakhs)

Particulars	Other Payable		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Maulik S.Jasani (HUF)	0	0	

**4. Enterprise on which Directors and KMPs have significant influence and control**

(Rs. In Lakhs)

Particulars	Loan & Advance			Other Payable		
	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019	As on 31/03/2021	As on 31/03/2020	As on 01/04/2019
Harsha Renewable Energy Private Limited	0	-			-	
Firstlight Solar Private Limited	0	0			-	
Aastha Charitable Trust for Welfare Mentally				0		

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**33. Other Notes**

**33.1. Contingent Liabilities, Contingent Assets and Capital Commitments**

Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts (net of advance, if any). Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(Rs. In Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>			
(i) Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	5,485	7,886	7,325
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	50	284	351
(iii) Claims against the company not acknowledged as debts:			
- Income Tax Matters	1,759	2,310	615
- Excise, Service Tax and GST Matters	106	99	33
- Sales Tax & Vat Matters	6	-	
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others #	1,589	1,544	1,527
<b>(b) CAPITAL COMMITMENTS :</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	673	388	339

# It includes Rs. 15 Cr. of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt. Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of Rs. 6.86 Cr. and on conciliation fail at MSMEFC the matter was referred to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favor of the Company for recovery of Rs. 6.86 Cr. plus interest as per the said order dated 4th May 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by HASPL, Hearing on revival application is awaited.

Note : 1. All of the issue of litigation pertaining to Income tax are based on interpretation of the income tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Note : 2. Most of the issue of litigation pertaining to Central Excise/ Service tax are based on interpretation of the tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

**33.2. Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker [CODM] of the Group.

Ind AS 108 "Operating Segment" establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas. Accordingly, information has been presented both along business segments and geographic segments

**A : BUSINESS SEGMENTS INFORMATION**

The Chief Operating Decision Maker [CODM] reviews the Group as (i) "Engineering & Others" and (ii) "Solar-EPC and O&M" segment .

The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

The "Engineering & Others" segment includes all activities related with Sales & Services of Bearing Cage & Stamp component to design, development, procurement and manufacturing.

The "Solar-EPC and O&M" segment includes all activities related with Solap Power Projects including but not limited to engineering, design, development, procurement, construction, erection, installation, commissioning, operation & maintenance.

The above business segments have been identified considering, (1) the different risk and returns and (2) the Customers.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

(Rs. In Lakhs)

Particulars	Year ended 31/3/2021	Year ended 31/3/2020
<b>1. Segment Revenues :</b>		
a. Engineering & Others	81957	82166
b. Solar-EPC and O&M	5419	6419
<b>Total Revenue from Operations</b>	<b>87376</b>	<b>88585</b>
<b>2. Segment Operating Results (EBITDA) # :</b>		
a. Engineering & Others	14039	12292
b. Solar-EPC and O&M	(1557)	(2329)
<b>Total Operating Results (EBITDA)</b>	<b>12482</b>	<b>9963</b>
<b>3. Segment Results (PBT) :</b>		
a. Engineering & Others	8650	6424
b. Solar-EPC and O&M	(2579)	(3266)
<b>Total Profit Brfore Tax (PBT)</b>	<b>6071</b>	<b>3158</b>
<b>4. Segment Assets :</b>		
a. Engineering & Others	88279	81601
b. Solar-EPC and O&M	9827	15724
<b>Total Assets</b>	<b>98106</b>	<b>97325</b>
<b>5. Segment Liabilities :</b>		
a. Engineering & Others	44048	44755
b. Solar-EPC and O&M	11341	15372
<b>Total Liabilities</b>	<b>55389</b>	<b>60127</b>

# Operating Results (EBITDA) : Total Profit Before Finance Cost, Depreciation & Amortisation & Tax

**SECONDARY SEGMENT INFORMATION**

**B : Geographical Segment:**

(Rs. In Lakhs)

Particulars	Year ended 31/3/2021	Year ended 31/3/2020
<b>1. Revenues: *</b>		
a. India	28,886	32,184
b. Outside India	58,490	56,401
<b>2. Non-current assets: **</b>		
a. India	18,400	18,081
b. Outside India	16,176	15,637

[\*] The revenue information above is based on the locations of the customers.

[\*\*] Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

**33.3. Merger :**

Pursuant to the Composite Scheme of Amalgamation and Arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and Harsha Abakus Solar Private Limited (the Company) and their respective shareholders and creditors under section 230 to 232 read with section 61 and 66 alongwith other applicable provisions of the Companies Act, 2013 ("the Scheme"), ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020 and immediately upon effectiveness of the the same HEL and HSPPL (Amalgamating Companies) were merged into the Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23rd December 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in the Company as per the Scheme with effect from April 01, 2020, being the appointed date. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on 24th December 2021, being the effective date. The Scheme has accordingly been given effect to in these financial statements as per the accounting treatment approved in NCLT order and provided in the Scheme.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31-Mar-21**

As Amalgamating Companies are under the common control of the shareholders, the Scheme has been accounted for in the books of the Company using Pooling of Interest method as prescribed in the Appendix C to Ind AS-103 ["Business combinations of entities under common control"]. Accordingly,

(1) The assets and liabilities pertaining to the Amalgamating Companies vested in the Company have been accounted as provided in the Scheme, at their respective carrying values as appearing in their respective books on the opening hours of business on April 01, 2020 being the Appointed Date.

(2) The inter-corporate deposits/ loans and advances outstanding between the Amalgamating Companies and the Company inter-se have been cancelled.

(3) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

(4) The balance of the retained earnings appearing in the financial statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamating Companies or is adjusted against General Reserve.

(5) The identity of the reserves are preserved and the reserves of the Amalgamating Companies become the reserves of the Company.

(6) The surplus/deficit of the share capital of the Amalgamating Companies over the value of investments in the shares of these companies appearing in the books of the Company and cancelled pursuant to the Scheme has been adjusted in the "Capital Reserve Account" of the Company. Further, as a result of merger the net difference amounting to INR 604 lakhs was debited to the Capital Reserve.

(7) The financial statements of the Company for the previous financial year i.e. 2019-20 have been restated as if this business combination through the Scheme had occurred from the beginning of the financial year 2019-20, i.e. 1st April 2019, as prescribed in the Appendix C to Ind AS-103.

The total consideration for amalgamation is Rs. 7225 lakhs, which is determined by exchange ratio of 3 shares of the Company against 1 share of HEL.

The book values of assets and liabilities acquired of Amalgamating Companies on merger, as at the appointed date i.e. 1 April 2020 has been provided below:

<b>Particulars</b>	<b>(Rs. In Lakhs)</b>
	<b>As at 1/4/2020</b>
Total Assets (A)	74,199
Total Liabilities (B)	(32,498)
<b>Net assets taken over (C=A+B)</b>	<b>41,701</b>
Reserves of Amalgamating Companies vested in the Company (D)	(39269)
<b>Net Equity taken over (E=C+D)</b>	<b>2,431</b>
Cancellation of Investments in equity of ATPL, HEIPL, HSSPL, held by the HEL or Company as the case may be (F)	(311)
<b>Share Capital Pending Reduction and Consolidation</b> (Reduction in Face Value from Rs.10 each to Re. 1 each of the Company followed by Consolidation of Re. 1 to Rs. 10) (G)	4,500
<b>Share Capital Pending Allotment</b> (Being consideration for amalgamation, 3 Equity Shares of the Company against 1 Equity Share of HEL to Share Holders of HEL, which will be allotted on record date as per the Scheme) (H)	(7225)
<b>Difference on Amalgamation (Debited to the Capital Reserves) (I=E+F+G+H)</b>	<b>(604)</b>

**Scheme of Amalgamation**

The Company has also filed a Scheme of Amalgamation between Harsha Engineers B.V. and Harsha Abakus Solar Private Limited (the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 alongwith other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals ("the Scheme of Amalgamation").

The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation being effective, the assets and liabilities pertaining to the Harsha Engineers B.V. will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.

**33.4. Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitments affecting the financial position are disclosed in the Director's Report.

The Company has effected Business Combination through the Scheme having effective date of 24th December 2021 with effect from appointed date of 1st April 2020 which is events after the balance sheet date but before the financial statements were placed for approval before the Board of Directors. Existence for such event existed on the balance sheet date as the Scheme was filed before the appropriate authority and later on approved by the NCLT. Hence, such event is considered as an adjusting event and financials are shown as per the Ind AS requirements. While Scheme of Amalgamation for Harsha Engineers B.V. is still under NCLT approval and hence not considered as adjusting events.

**Change of Name of the Company :** As envisaged in the Composite Scheme of Amalgamation and Arrangement approved by NCLT vide its orders dated 23rd December 2021 and became effective from 24th December 2021, name of the Company shall stand changed to "Harsha Engineers International Limited" or any other name approved by the ROC after making required process and amendments to its Memorandum and Articles of Association.

**Conversion of Private Company into Public Company :** As envisaged in the Composite Scheme of Amalgamation and Arrangement approved by NCLT vide its orders dated 23rd December 2021 and became effective from 24th December 2021, the Company shall stand converted into Public Company by making required amendments to its Memorandum and Articles of Association

**Share Capital :** Pursuant to the Scheme the Paid-up Share Capital of the Company has been reduced from Rs. 50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores) equity shares of Rs 10/- (Rupees Ten only) each fully paid up to Rs. 5,00,00,000/- (Rupees five crores only) divided into 5,00,00,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid. Also pursuant to the aforesaid Scheme, the Company has issued 7,22,48,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3) on 25th December 2021. On account of this, share capital has been increased to Rs. 77,24,84,000/-.

**33.5** Previous year's figures have been regrouped / reclassified to make them comparable with those of the current reporting year, wherever necessary and Previous year's figures had been reported in INR and in current year it is reported in "Rs. in Lakhs", except otherwise provided.

**33.6** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the Company in initial periods by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The company has started production and other operations as per the Government / local body guidelines and approval.

Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and increase in financial risks. The company has specifically reviewed its assets to ensure and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

**33.7** Wholly owned subsidiary company namely Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co., Ltd. , another wholly owned subsidiary company, effective from 1st September 2019.

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
**Notes to the Consolidated Financial Statements for the year ended 31-Mar-21**

**Note 34**

**Explanation of transition to Ind AS**

Harsha Abakus Solar Private Limited previously had prepared financial statements in accordance with the accounting standards specified under the section 133 of the Act read together with the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP or IGAAP) while the Company has voluntarily decided to adopt Ind AS accounting standards as specified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time along with the rules thereof or any other applicable rules or related requirements under the Act from the beginning of current financial year (2020-21) and accordingly Ind AS transition date is 01st April 2019. Accordingly, Harsha Abakus Solar Private Limited has prepared its first consolidated financial statements in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 01st April 2019 (the Company's date of transition to Ind AS).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with the Indian GAAP. As the effect of the Scheme has been provided from the beginning of the preceding financial year (i.e. 1st April 2019) as per the requirement of appendix C of Ind AS 103, refer Note No. 31.6, and same is also a transition date to Ind AS for the Company, we have considered here balance under Indian GAAP only for the Companies (including transferor company) whose previous GAAP was under Indian GAAP and not Ind AS. Accordingly, balance under Indian GAAP shown in this note are respective balances of Harsha Abakus Solar Private Limited and Helianthus Solar Power Private Limited as per their previous GAAP as other companies being part of the Scheme are under Ind AS only. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

**Exemption and exception applied**

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

**Optional exemptions**

**I. Property, Plant and Equipment (PPE)**

Ind AS 101 provides the below options with respect to the items of PPE:

- Carry forward the previous GAAP carrying values as at the transition date as "deemed cost" under Ind AS, provided there is no change in functional currency.
- Fair value the items of PPE as at the transition date and use this as the "deemed cost" under Ind AS.
- Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The above options are available for intangible assets and investment property as well except fair value option not permitted for investment property.

The Company has opted to measure all the items of PPE at the previous GAAP carrying values as at the transition date.

**II. Deemed cost for investments in equity shares of subsidiaries and associates**

Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
- Fair value at the entity's date of transition to Ind AS
- Previous GAAP carrying amount

Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition.

The Company has opted to measure all the items of investments in equity shares of subsidiaries and associates at the previous GAAP carrying values as at the transition date.

**Mandatory exceptions**

Below are the key mandatory exceptions used in preparation of these financial statements:

**A. Estimates**

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

The Company's Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Discounted value of liability on account of decommissioning cost.
- Allocation of previous GAAP carrying values of fixed assets.

**B. Classification and measurement of financial assets**

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

C. Reconciliation of equity as at 1 April, 2019				
Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		35	-	35
Capital Work-In-Progress		-	-	-
Other Intangible Assets		16	-	16
<b>Financial Assets</b>				
Investments		3	-	3
Loans & Advances		23	-	23
Other Tax Assets [Net]		179	-	179
Other Non-Current Assets		137	-	137
<b>Total Non-Current Assets</b>		<b>393</b>	<b>-</b>	<b>393</b>
<b>Current Assets</b>				
Inventories		903	-	903
<b>Financial Assets</b>				
Investments	34.6	692	(117)	575
Trade Receivables	34.5	14,239	(1,358)	12,881
Cash and Cash Equivalents		77	-	77
Other Bank Balances		1,236	-	1,236
Loans & Advances	34.2	466	92	558
Other Financial Assets		-	-	-
<b>Other Current Assets</b>		<b>2,877</b>	<b>-</b>	<b>2,877</b>
<b>Total Current Assets</b>		<b>20,489</b>	<b>(1,383)</b>	<b>19,106</b>
<b>TOTAL ASSETS</b>		<b>20,883</b>	<b>(1,383)</b>	<b>19,500</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,000	-	2,000
Other Equity		(845)	(1,015)	(1,859)
<b>Total Equity</b>		<b>1,155</b>	<b>(1,015)</b>	<b>141</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		3,375	-	3,375
Other Financial Liabilities		-	-	-
Provisions		39	-	39
Deferred Tax Liabilities (Net)	34.1	(782)	(368)	(1,150)
Other Non-Current Liabilities		7	-	7
<b>Total Non-Current Liabilities</b>		<b>2,639</b>	<b>(368)</b>	<b>2,271</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		7,842	-	7,842
Trade Payables		-	-	-
-Dues to Micro & Small Enterprises		284	-	284
-Dues to other than Micro & Small Enterprises		5,009	-	5,009
Other Financial Liabilities		1,182	-	1,182
Other Current Liabilities		2,760	-	2,760
Provisions		10	-	10
Current Tax Liabilities [Net]		-	-	-
<b>Total Current Liabilities</b>		<b>17,089</b>	<b>-</b>	<b>17,089</b>
<b>Total Liabilities</b>		<b>19,727</b>	<b>(368)</b>	<b>19,359</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,883</b>	<b>(1383)</b>	<b>19,500</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

D. Reconciliation of equity as at 31 March, 2020				
Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment		24	-	24
Capital Work-In-Progress		-	-	-
Goodwill on Consolidation		-	-	-
Other intangible Assets		8	-	8
<b>Financial Assets</b>				
Investments		3	-	3
Loans & Advances		0	-	0
Other Tax Assets [Net]		103	-	103
Other Non-Current Assets		152	-	152
<b>Total Non-Current Assets</b>		<b>291</b>	<b>-</b>	<b>291</b>
<b>Current Assets</b>				
Inventories		658	-	658
<b>Financial Assets</b>				
Investments	34.6	639	20	658
Trade Receivables	34.5	10,574	(533)	10,041
Cash and Cash Equivalents		17	-	17
Other Bank Balances		1,078	-	1,078
Loans & Advances	34.2	488	89	577
Other Financial Assets		-	-	-
<b>Other Current Assets</b>	34.3	2,401	1	2,402
<b>Total Current Assets</b>		<b>15,854</b>	<b>(424)</b>	<b>15,430</b>
<b>TOTAL ASSETS</b>		<b>16,145</b>	<b>(424)</b>	<b>15,721</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		5,000	-	5,000
Other Equity		(4,323)	(328)	(4,651)
<b>Total Equity</b>		<b>677</b>	<b>(328)</b>	<b>349</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		2,250	-	2,250
Other Financial Liabilities		-	-	-
Provisions		49	-	49
Deferred Tax Liabilities (Net)	34.1	(1,673)	(96)	(1,769)
Other Non-Current Liabilities		8	-	8
<b>Total Non-Current Liabilities</b>		<b>634</b>	<b>(96)</b>	<b>538</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		6,358	-	6,358
Trade Payables		-	-	-
-Dues to Micro & Small Enterprises		226	-	226
-Dues to other than Micro & Small Enterprises		2,401	-	2,401
Other Financial Liabilities		2,044	-	2,044
Other Current Liabilities		3,777	-	3,777
Provisions		28	-	28
Current Tax Liabilities [Net]		-	-	-
<b>Total Current Liabilities</b>		<b>14,834</b>	<b>0</b>	<b>14,834</b>
<b>Total Liabilities</b>		<b>15,468</b>	<b>(96)</b>	<b>15,372</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,145</b>	<b>(424)</b>	<b>15,721</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

E. Statement of Reconciliation of Profit/Other Equity as at 31st March, 2020 and 1st April, 2019:				
The impact of the above Ind AS adjustment on other equity is as below:				
Particulars	Foot note ref.	As at 31st March, 2020	As at 01st April, 2019	
<b>Other equity as per previous GAAP (A)</b>		<b>(4,323)</b>	<b>(845)</b>	
<b>Ind AS adjustments:</b>				
Changes for Provision of doubtful Debts	34.5	(532)	(1,358)	
Changes in Revenue Recognition	34.2	89	92	
Deferred Tax on transition to Ind AS	34.1	95	369	
Deferred Tax On Re-Classification of Gratuity	34.1	1	(1)	
Changes for Income from Associate LLP restated as per Ind AS	34.6	20	(117)	
<b>Impact of total adjustments on account of Ind AS (B)</b>		<b>(328)</b>	<b>(1,015)</b>	
<b>Other equity as per Ind AS (C) = (A) + (B)</b>		<b>(4,651)</b>	<b>(1,859)</b>	
<b>F. Reconciliation of total comprehensive income for the year ended 31 March 2020</b>				
Particulars	Foot note ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>INCOME</b>				
Revenue from operations	34.2	6,423	(3)	6,419
Other income	34.6	59	137	196
Finance income		97	-	97
<b>TOTAL INCOME (A)</b>		<b>6,579</b>	<b>134</b>	<b>6,713</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		5,676	-	5,676
Employee Benefits Expenses	34.4	1,211	(7)	1,204
Finance costs		919	-	919
Depreciation and Amortization Expenses		18	-	18
Other Expenses	34.5	2,988	(825)	2,163
<b>TOTAL EXPENSES (B)</b>		<b>10,812</b>	<b>(832)</b>	<b>9,980</b>
<b>Profit/ (loss) before tax</b>		<b>(4,233)</b>	<b>966</b>	<b>(3,267)</b>
<b>Tax expense</b>				
Current Tax		(0)	-	(0)
Deferred Tax	34.1	(891)	274	(617)
MAT credit entitlement		137	-	137
<b>Profit/ (loss) after tax for the period (C)</b>		<b>(4,987)</b>	<b>1,240</b>	<b>(3,747)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments		-	-	-
Remeasurement of post-employment benefit obligations	34.4	-	(7)	(7)
Income tax relating to these items	34.1	-	2	2
<b>Other comprehensive income for the period, net of tax (D)</b>		<b>0</b>	<b>(5)</b>	<b>(5)</b>
<b>Total Comprehensive Income for the Period (C+D)</b>		<b>(4,987)</b>	<b>1,235</b>	<b>(3,752)</b>
*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.				
<b>34.1 Deferred Tax</b>				
Under previous GAAP, Deferred Taxes were recognised based on Profit & Loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet approach i.e. tax impact on temporary difference between the carrying value of assets and liabilities in the books and their respective tax base.				
<b>34.2 Straightlining of Operations and Maintenance Income</b>				
Under previous GAAP, O&M Income was recognised on incremental rate basis but under Ind AS, such Income have been restated as per Straight Line Basis. Due to such effect there will be Increase in profit in the Initial years which will be reversed in the subsequent years. The Income for prior period have been added to the tune of ₹ 92,28,208 to Opening Reserves and Surplus at the transition date of Balance Sheet i.e 01/04/2019. Such Income will be reversed in the years following that date.				
<b>34.3 Treatment of Lease</b>				
Expenses in nature of lease which are paid upfront for the entire period of contract have now been amortised over the life of the contract. Under previous GAAP such expense was charged in the single year only.				
<b>34.4 Remeasurement of Post Employment Benefit Obligations</b>				
Under the previous GAAP, cost relating to Post Employment Benefit Obligations including actuarial gain / losses were recognised in Profit & Loss. Under Ind AS, actuarial gain / losses on the net Defined Benefit Liability are recognised in Other Comprehensive Income instead of Profit & Loss.				
<b>34.5 Provision for Bad and Doubtful Debts</b>				
Provision for Bad and Doubtful Debts have been reassessed for 01/04/2019 and 31/03/2020. In view of the same, there has been additional provision created for ₹ 13,57,65,588 on the transition date Balance Sheet i.e 01/04/2019 and reversed for ₹ 8,24,58,569 for the comparative period i.e period ending 31/03/2020				
<b>34.6 Share of Income from Associate LLP restated as per Ind AS</b>				
Under previous GAAP share of profit from associate LLP have been accounted for as per accounting standards of pervious GAAP which has now been restated to consider such subsidiary's profit derived by applying Ind AS principles				

HARSHA ABAKUS SOLAR PRIVATE LIMITED

Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

Note 35

A. Financial instruments by category and their fair value

(Rs.in lakhs)

As at 31-Mar-21	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	250	-	250	250	-	-	250
Unquoted	-	-	679	679	-	-	-	-
<i>Loans</i>								
Non-Current	-	-	49	49	-	-	-	-
Current	-	-	488	488	-	-	-	-
<i>Trade Receivables</i>	-	-	21,389	21,389	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	3,305	3,305	-	-	-	-
<i>Other Bank Balances</i>	-	-	1,225	1,225	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	690	690	-	-	-	-
<b>Total financial assets</b>	-	250	27,825	28,075	250	-	-	250
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current	-	-	10,151	10,151	-	-	-	-
Current	-	-	19,610	19,610	-	-	-	-
<i>Other financial liabilities</i>								
Non-current	-	-	818	818	-	-	-	-
Current	-	(336)	8,050	7,714	(336)	-	-	(336)
<i>Trade Payables</i>	-	-	11,668	11,668	-	-	-	-
<b>Total financial liabilities</b>	-	(336)	50,297	49,961	(336)	-	-	(336)

As at 31-Mar-20*	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-	-	661	661	-	-	-	-
<i>Loans</i>								
Non-current	-	-	45	45	-	-	-	-
Current	-	-	708	708	-	-	-	-
<i>Trade Receivables</i>	-	-	23,866	23,866	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	2,428	2,428	-	-	-	-
<i>Other Bank Balances</i>	-	-	3,285	3,285	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	544	544	-	-	-	-
<b>Total financial assets</b>	-	-	31,537	31,537	-	-	-	-
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current	-	-	12,766	12,766	-	-	-	-
Current	-	-	22,246	22,246	-	-	-	-
<i>Other financial liabilities</i>								
Non-current	-	-	706	706	-	-	-	-
Current	-	416	7,619	8,035	416	-	-	416
<i>Trade Payables</i>	-	-	11,146	11,146	-	-	-	-
<b>Total financial liabilities</b>	-	416	54,483	54,193	416	-	-	416



**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

(Rs.in lakhs)

As at 01-Apr-19*	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
<i>Investments</i>								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-	-	578	578	-	-	-	-
<i>Loans</i>								
Non-current			76	76				
Current	-	-	1,459	1,459	-	-	-	-
<i>Trade Receivables</i>	-	-	28,330	28,330	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	1,420	1,420	-	-	-	-
<i>Other Bank Balances</i>	-	-	3,398	3,398	-	-	-	-
<i>Other financial assets</i>								
Current	-	-	571	571	-	-	-	-
<b>Total financial assets</b>	-	-	<b>35,832</b>	<b>35,832</b>	-	-	-	-
<b>Financial liabilities</b>								
<i>Borrowings</i>								
Non-current			14,395	14,395	-	-	-	-
Current			23,812	23,812	-	-	-	-
<i>Other financial liabilities</i>								
Non-current			-	-				
Current		(469)	6,937	6,468	(469)	-	-	(469)
<i>Trade Payables</i>			16,515	16,515	-	-	-	-
<b>Total financial liabilities</b>	-	<b>(469)</b>	<b>61,659</b>	<b>61,190</b>	<b>(469)</b>	-	-	<b>(469)</b>

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Investments in subsidiaries and equity accounted investees are carried at amortised cost.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**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**

**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

<b>Cross Currency Interest Rate Swaps</b>	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.
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**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Level 3 fair values**

Movements in the values of unquoted equity instruments for the period 31st March, 2020 and 31st March, 2021 is as below:

(Rs.in lakhs)

Particulars	Amount
<b>As at 01-Apr-19*</b>	-
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
<b>As at 31-Mar-20*</b>	-
Acquisitions/ (disposals)	250
Gains/ (losses) recognised in other comprehensive income	0
<b>As at 31-Mar-21</b>	<b>250</b>

**Transfer out of Level 3**

There were no transfers out of level 3 during the year 2020-21 and 2019-20.

**C. Financial risk management**

The Company's principal financial liabilities comprises of loans & borrowings and trade & other payables. 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 trade & other receivables, cash & cash equivalents and investments 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 or counterparty to a financial instrument 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, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

**Trade receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods & services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

**Age of Receivables:**

(Rs.in lakhs)

Particulars	As at	As at	As at
	31-Mar-21	31-Mar-20*	01-Apr-19*
Not Due	14,061	10,145	12,364
0-3 Months	2,291	3,818	6,023
3-6 Months	355	467	643
6-12 Months	353	830	1,897
1-3 Years	444	7,744	6,613
>3 Years	3,885	862	790
<b>Total</b>	<b>21,389</b>	<b>23,866</b>	<b>28,330</b>

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

**Other financial assets**

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures as well as derivative instruments.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.

- Investments are made in credit worthy companies.

- Derivative instrument comprises cross currency interest rate swaps, forward contracts, options etc. where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

(Rs.in lakhs)

31-Mar-21	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	10,151	10,151	-	10,151
Current borrowings	19,610	19,610	19,610	-
Non current financial liabilities	818	818	-	818
Current financial liabilities	1,303	1,303	1,303	-
Trade and other payables	11,668	11,668	11,668	-
<b>Total</b>	<b>43,550</b>	<b>43,550</b>	<b>32,581</b>	<b>10,969</b>

(Rs.in lakhs)

31-Mar-20*	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	12,766	12,766	-	12,766
Current borrowings	22,246	22,246	22,246	-
Non current financial liabilities	706	706	-	706
Current financial liabilities	1,765	1,765	1,765	-
Trade and other payables	11,146	11,146	11,146	-
<b>Total</b>	<b>48,629</b>	<b>48,629</b>	<b>35,157</b>	<b>13,472</b>

(Rs.in lakhs)

01-Apr-19*	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	14,395	14,395	-	14,395
Current borrowings	23,812	23,812	23,812	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	1,720	1,720	1,720	-
Trade and other payables	16,515	16,515	16,515	-
<b>Total</b>	<b>56,442</b>	<b>56,442</b>	<b>42,047</b>	<b>14,395</b>

**HARSHA ABAKUS SOLAR PRIVATE LIMITED**  
Notes to the Consolidated Financial Statements for the year ended 31-Mar-21

**(iii) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

**Currency risk**

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising out of the EURO, US Dollar, CNY & JPY. Accordingly, the foreign currency exposure and interest rate exposure has been hedged time to time as per the company's Risk management policy after evaluating the risk associated with.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

**Sensitivity**

The table below summarises the impact of increase / decrease of Debt funds and debt securities on the Companies' s Other Comprehensive Income for the period.

(Rs.in lakhs)

Particulars	Impact on Other Comprehensive Income		
	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
Debt funds and debt securities – increase by 0.50% in fair market value	1	-	-
Debt funds and debt securities – decrease by 0.50% in fair market value	(1)	-	-

**D. Capital management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

**The Company's debt to equity ratio on 31st March 21 is as follows:** (Rs.in lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20*	As at 01-Apr-19*
<b>Debt #</b>	35,667	41,915	44,472
<b>Total equity</b>	42,717	37,198	33,210
Debt to total equity ratio	0.83:1 times	1.13:1 times	1.34:1 times

#Debt includes borrowings and current maturities of long term debt in other financial liabilities.

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

[\*] Refer Note-33.3

The accompanying notes (1 to 35) 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

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

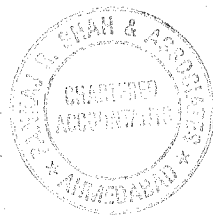
Harsha Abakus Solar Private Limited

(CIN : U29307GJ2010PTC063233)

*Chintan Shah*

**Chintan Shah**  
Managing Partner  
M. No. : 110142

Date: 25-12-2021  
Place: Ahmedabad



*Rajendra Shah*

**Rajendra Shah**  
Chairman  
DIN: 00061922

*Maulik Jasani*

**Maulik Jasani**  
Chief Financial Officer  
Date: 25-12-2021  
Place: Ahmedabad

*Harish Rangwala*

**Harish Rangwala**  
Managing Director  
DIN: 00278062

*Kiran Mohanty*

**Kiran Mohanty**  
Chief Compliance Officer & CS  
M. No.: F9907