

INDEPENDENT AUDITORS' REPORT

To the Members of Harsha Engineers Advantek Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Harsha Engineers Advantek Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its loss, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our audit reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 work; and (ii) to evaluate the effect of any identified misstatements in the 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, 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, so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors, is disqualified as on March 31, 2024 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" attached to this report. 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, no remuneration paid by the company to its directors during the year.
- 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except for the transactions disclosed in Note 40 of the Financial Statements;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.
- v. During the year, the company has not declared any dividends. Hence, reporting of compliance under section 123 of the Companies Act, 2013 is not applicable.
- i) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has been operational throughout the year for all relevant transactions recorded in the software except that no audit trail enabled at the database level for accounting software to log any direct data changes. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place: Ahmedabad
Date: May 14, 2024
UDIN: 24129675BKBM13530



For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Karnik K. Shah

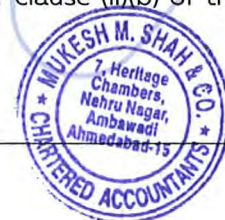
Karnik K. Shah
Partner
Membership No.: 129675

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2024.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment (PPE), capital work in progress and relevant details of right of use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, plant and equipment, capital work in progress and right of use assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work in progress and right of use assets at reasonable intervals having regard to the size of the company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the lease agreements of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and the nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and based on the records examined by us, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of five crore rupees, in aggregate, on the basis of security of current assets. Accordingly, reporting under clause (ii)(b) of the order is not applicable.



- (iii) The Company has not provided loans, advances in nature of loan, stood guarantee or provided security to a company, firms, limited liability partnerships or any other parties during the year. Accordingly, the requirement to report on clause (iii) (a) to (f) of the order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly reporting under clause (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.
- (vi) As per the information and explanations provided to us, the company is not required to maintain the cost records pursuant to the Companies; (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Act hence, reporting under clause (vi) is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The company has been generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (c) There are no dues under dispute for the Income Tax, Sales Tax, Service tax, Goods and Service Tax, Customs duty, Excise Duty, and Value added tax and other material statutory dues as on 31st March, 2024.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that:
 - (a) The company has not defaulted in repayment of the loans or other borrowings or in the payment of interest to any lender during the year.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - (c) The company has not taken any term loans from any banks or financial institutions. Hence, reporting under clause (ix)(c) of the order is not applicable;
 - (d) The funds raised on short term basis have not been utilized for the long-term purpose.
 - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- (f) The Company has not raised any loans during the year on the pledge of securities held in its associate company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under this clause of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) According to the information and explanations given to us, there is no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the reports of the internal auditors for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and, hence, provisions of section 192 of the Act is not applicable to the company. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, we report that
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934;
- (b) The Company has not conducted any non-banking or housing finance activities during the year;
- (c) The Company is not a Core Investment Company, as defined in the regulations made by the Reserve Bank of India;
- (d) The Group does not have Core Investment Company as part of the Group.
- (xvii) The Company has incurred cash losses of 11.01 Lacs in the current financial year and has not incurred any cash losses in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration the views expressed by the outgoing auditors.



MUKESH M. SHAH & CO.

CHARTERED ACCOUNTANTS

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) On the basis of information and explanations given to us and based on the examination of the records of the company, the provisions of Corporate Social Responsibility ("CSR") of the Act is not applicable to the company. Accordingly, reporting under clause 3(XX) of the Order is not applicable for the year.

Place: Ahmedabad
Date: May 14, 2024
UDIN: 24129675BKBM13530



For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Karnik K. Shah

Karnik K. Shah
Partner
Membership No.: 129675

"ANNEXURE B" TO THE AUDITORS' REPORT

Report on the Internal Financial Control 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 Engineering Advantek Limited ("the company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial control 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 ["ICAI"]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. 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 control 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 Judgement, including the assessment of the 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, 2024, 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.

Place: Ahmedabad
Date: May 14, 2024
UDIN: 24129675BKBMLI3530



For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Karnik K. Shah

Karnik K. Shah
Partner
Membership No.: 129675

HARSHA ENGINEERS ADVANTEK LIMITED
Balance Sheet as at 31st March, 2024

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	2,936.63	-
Capital Work-In-Progress		431.96	-
Other Intangible Assets	2	16.56	-
Financial Assets			
Other Financial Assets	4	403.18	-
Other Non-Current Assets	5	1,347.09	-
Total Non-Current Assets		5,135.42	-
Current Assets			
Inventories	6	104.14	-
Financial Assets			
Trade Receivables	7	160.94	-
Cash and Cash Equivalents	8	97.32	10.00
Bank Balances other than Cash and Cash Equivalents	8	1,725.62	-
Loans & Advances	3	16.37	-
Other Current Assets	5	172.65	-
Total Current Assets		2,277.04	10.00
TOTAL ASSETS		7,412.46	10.00
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	7,010.00	10.00
Other Equity	10	(15.93)	-
Total Equity		6,994.07	10.00
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	14	18.34	-
Provisions	11	4.57	-
Deferred Tax Liabilities (Net)	12	2.24	-
Total Non-Current Liabilities		25.15	-
Current Liabilities			
Financial Liabilities			
Trade Payables	13		
-Dues to Micro & Small Enterprises		5.99	-
-Dues to other than Micro & Small Enterprises		133.79	-
Other Financial Liabilities	14	233.40	-
Other Current Liabilities	15	12.32	-
Provisions	11	0.09	-
Current Tax Liabilities [Net]	16	7.65	-
Total Current Liabilities		393.24	-
Total Liabilities		418.39	-
TOTAL EQUITY AND LIABILITIES		7,412.46	10.00
Material Accounting Policies	1		
Notes to Financial Statements	1 to 30		

As per our report of even date attached
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration No. : 106625W

CA Karnik Shah
Partner
M. No. : 129675

Date : May 14, 2024
Place : Ahmedabad



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

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Maulik Jasani
Chief Financial Officer
Date : May 14, 2024
Place : Ahmedabad

Pilak Shah
Managing Director
DIN: 00407960

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. In Lakhs)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
INCOME			
Revenue from Operations	17	142.97	-
Other Income	18	73.87	-
Total Income (A)		216.84	-
EXPENSES			
Cost of Materials Consumed	19	131.80	-
Change In Inventories of Finished Goods & Work-In-Progress	20	(73.55)	-
Employee Benefits Expenses	21	6.08	-
Finance Costs	22	5.75	-
Depreciation and Amortization Expenses	2	5.09	-
Other Expenses	23	139.15	-
Total Expenses (B)		214.32	-
Profit/ (Loss) Before Tax (C)=(A-B)		2.52	-
Tax Expense			
Current Tax	25	16.42	-
Deferred Tax	25	2.20	-
Total Tax Expense (D)		18.62	-
Profit/ (Loss) After Tax for the year (E)=(D-C)		(16.10)	-
Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	26	0.21	-
Income tax relating to these items	25	(0.04)	-
Other Comprehensive Income for the year, net of tax (F)		0.17	-
Total Comprehensive Income for the year (E+F)		(15.93)	-
Earning Per Equity Share (EPS) for the year			
Basic (Rs.)	24	(16.10)	-
Diluted (Rs.)		(0.05)	-
Material Accounting Policies	1		
Notes to Financial Statements	1 to 30		

As per our report of even date attached

For Mukesh M. Shah & Co.,

Chartered Accountants

Firm Registration No. : 106625W

Karnik U. Shah

CA Karnik Shah

Partner

M. No. : 129675



Date : May 14, 2024

Place : Ahmedabad

For and on behalf of the Board of Directors

Harsha Engineers Advantek Limited

(CIN: U28140GJ2023PLC139182)

Vishal Rangwala

Vishal Rangwala

Chairman & Whole-time Director

DIN: 02452416

Maulik Jasani

Maulik Jasani

Chief Financial Officer

Date : May 14, 2024

Place : Ahmedabad

Pilak Shah

Pilak Shah

Managing Director

DIN: 00407960

Kiran Mohanty

Kiran Mohanty

Company Secretary

M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Cash flow Statement for the year ended 31st March, 2024

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per statement of profit and loss	2.52	-
Adjustments for:		
Depreciation and Amortization Expenses	5.09	-
Interest Income	(46.65)	-
Finance Cost	5.75	-
Loss/(Profit) on Sale of Current Investment	(27.21)	-
Operating Profit before Working Capital Changes	(60.50)	-
Adjustments for Changes in Working Capital		
Inventories	(104.14)	-
Trade Receivables	(160.94)	-
Loan and Advances	-	-
Other Financial Assets	(403.18)	-
Other Current Assets	(172.65)	-
Trade Payables	139.78	-
Other Financial Liabilities	251.74	-
Other Current Liabilities	12.32	-
Provisions	4.87	-
Cash Generated from Operations	(492.70)	-
Income Taxes Paid	(8.77)	-
Net Cash Flow from Operating Activities (A)	(501.47)	-
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment, Capital Work-In-Progress and Other Intangibles	(3,390.24)	-
Interest Income	30.28	-
Sale /(Purchase) of Current Investments (Net)	27.21	-
Investment in fixed deposits with bank (Net)	(1,725.62)	-
Loans and Advances (Net)-Capital Advances	(1,347.09)	-
Net Cash Flow from Investing Activities (B)	(6,405.46)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share/Preference shares	7,000.00	10.00
Finance Cost	(5.75)	-
Net Cash Flow from Financing Activities (C)	6,994.25	10.00
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	87.32	10.00
Cash and Cash Equivalents at the beginning of the year		
Cash on Hand	-	-
Balances with Banks	10.00	-
	10.00	-
Cash and Cash Equivalents at the end of the year		
Cash on Hand	0.42	-
Balances with Banks	96.90	10.00
	97.32	10.00
Notes to Financial Statements 1 to 30		

As per our report of even date attached
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration No. : 106625W

Karnik U. Shah

CA Karnik Shah
Partner
M. No. : 129675



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

Vishal Rangwala

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Pilak Shah

Pilak Shah
Managing Director
DIN: 00407960

Maulik Jasani

Maulik Jasani
Chief Financial Officer
Date : May 14, 2024
Place : Ahmedabad

Kiran Mohanty

Kiran Mohanty
Company Secretary
M. No.: F9907

Date : May 14, 2024
Place : Ahmedabad

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Changes In Equity (SOCIE) for the year ended 31st March, 2024

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	Equity Shares		Preference shares	
	No. of Shares	Amount	No. of Shares	Amount
Issued, Subscribed and Paid up Share Capital				
Shares of Rs. 10/- each fully paid up				
As at the Beginning of the period	-	-	-	-
Add : Shares issued during the year	1,00,000	10.00	-	-
As at 31st March, 2023	1,00,000	10.00	-	-
Add : Shares issued during the year	-	-	7,00,00,000	7,000.00
As at 31st March, 2024	1,00,000	10.00	7,00,00,000	7,000.00

B. Other Equity

Particulars	Reserve & Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings		
As at the Beginning of the period	-	-	-
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year	-	-	-
Balance as at 31st March, 2023	-	-	-
Profit for the year	(16.10)	-	(16.10)
Other comprehensive income for the year	-	0.17	0.17
Total Comprehensive Income for the year	(16.10)	0.17	(15.93)
Balance as at 31st March, 2024	(16.10)	0.17	(15.93)

Notes to Financial Statements 1 to 30

As per our report of even date attached
For **Mukesh M. Shah & Co.,**
Chartered Accountants
Firm Registration No. : 106625W

Karnik u. Shah

CA Karnik Shah
Partner
M. No. : 129675

Date : May 14, 2024
Place : Ahmedabad



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

Vishal Rangwala

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Maulik Jasani

Maulik Jasani
Chief Financial Officer
Date : May 14, 2024
Place : Ahmedabad

Pilak Shah

Pilak Shah
Managing Director
DIN: 00407960

Kiran Mohanty

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED**Notes to the Financial Statements for the year ended 31st March, 2024****Note 1 Material Accounting Policy Information****A. GENERAL INFORMATION**

HARSHA ENGINEERS ADVANTEK LIMITED ("HEAL" or "the Company"), a public limited company incorporated under the provisions of the Companies Act, 2013 on March 14, 2023 as wholly owned subsidiary of the Harsha Engineers International Limited with object of manufacturing of bearing cages & other products and the company has started the commercial operations from January 2024. The Registered Office of the Company is located at at Sarkhej-Bavla Road, Changodar, Ahmedabad-382213, Gujarat, India.

B. BASIS OF PREPARATION**B.1. Statement of compliance with Ind AS**

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

B.2. Functional and presentation currency

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

B.3. Basis of Measurement

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

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

B.4. Use of Estimates and Judgements

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

Estimates

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Judgements

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

Assumptions and Estimation Uncertainties

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

B.5. Measurement of Fair Values

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

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

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

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

2.3. 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.

C.3. Derivative Instruments and Hedge Accounting

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

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

C.4. Property, Plant and Equipment

i. Recognition and Measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

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

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

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

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

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company or it enhanced the useful lives.

iii. Depreciation/Amortisation

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and any revision to these is recognised prospectively in current and future periods. 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).

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.



HARSHA ENGINEERS ADVANTEK LIMITED**Notes to the Financial Statements for the year ended 31st March, 2024****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.

C.8. 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.

C.9. Revenue Recognition**i. Sale of Goods**

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

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

Revenue from contracts

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

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



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

C.16. 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.

C.17. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

C.18. 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.



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended 31st March, 2024

Note : 2 Property, Plant & Equipment

Particulars	Gross Block				Depreciation and Amortization			Net Block	
	As at 1st April 2023	Addition during the year	Disposal/ Adjustment	As at 31st March, 2024	As at 1st April 2023	For the year	Disposal/ Adjustment	As at 31st March, 2024	As at 31st March 2023
Property, Plant & Equipment									
Freehold Land	-	2,593.39	-	2,593.39	-	-	-	-	2,593.39
Plant And Machineries	-	335.76	-	335.76	-	4.44	-	4.44	331.32
Furniture And Fittings	-	0.65	-	0.65	-	-	-	-	0.65
Electric Installation	-	11.17	-	11.17	-	0.01	-	0.01	11.16
Computer & Peripherals	-	0.11	-	0.11	-	-	-	-	0.11
TOTAL (A)	-	2,941.08	-	2,941.08	-	4.45	-	4.45	2,936.63
Other Intangible Assets									
Computer software	-	17.20	-	17.20	-	0.64	-	0.64	16.56
TOTAL (B)	-	17.20	-	17.20	-	0.64	-	0.64	16.56
TOTAL (A+B)	-	2,958.28	-	2,958.28	-	5.09	-	5.09	2,953.19

Note : The company has not revalued any tangible & intangible asset.

Capital Work-in-progress aging schedule as at 31st March, 2024

CWIP ^	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	431.96	-	-	-	431.96
Projects temporarily suspended	-	-	-	-	-

^ No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended 31st March, 2024

Note 3

Loans & Advances

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
(Unsecured, Considered Good)		
Interest & Other Income Receivable	16.37	-
Total Current Loans & Advances	16.37	-

Note 4

Other Financial Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Security Deposits (Unsecured, Considered Good)	403.18	-
Total Other Non-Current Financial Assets	403.18	-

Note 5

Other Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Capital Advances (Unsecured, Considered Good)	1,347.09	-
Total Other Non-Current Assets	1,347.09	-
Current		
(Unsecured, Considered Good)		
Balances With Statutory Authorities	162.69	-
Prepaid Expenses	0.57	-
Advances To Suppliers	9.39	-
Total Other Current Assets	172.65	-

Note 6

Inventories

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Material	30.51	-
Work-In-Progress	13.73	-
Finished	47.82	-
Stores, Spares & Other	0.08	-
Toolings	12.00	-
Total Inventories	104.14	-

Inventories valued at lower of cost or net realisable value.

Note 7

Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured and Considered Good		
Trade Receivables	160.94	-
Less: Allowances for credit losses	-	-
Total Trade Receivables	160.94	-



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 9

Equity Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised Share Capital		
1,00,000 (Previous Year: 1,00,000) Equity Shares of Face Value Rs.10/-each	10.00	10.00
10,00,00,000 (Previous Year: Zero) Preference Share (6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Face Value Rs. 10/- each) (Increased authorised preference share capital by 10,00,00,000 Preference Shares of Rs.10/ each as on 26th May 2023)	10,000.00	-
Total	10,010.00	10.00

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Issued, Subscribed and Fully Paid up Share Capital		
1,00,000 (Previous Year: 1,00,000) Equity Shares of Face Value Rs.10/-each, fully paid up	10.00	10.00
7,00,00,000 (Previous Year: Zero) Preference Share Capital (6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Face Value Rs. 10/- each, fully paid up)	7,000.00	-
Total	7,010.00	10.00

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

Particulars	No. of shares	Amount (Rs. In Lakhs)
As at the Beginning of the period	-	-
Add : Equity Shares issued during the year	1,00,000	10.00
As at 31st March, 2023	1,00,000	10.00
At the beginning of the year	1,00,000	10.00
Add : Equity Shares issued during the year	-	-
As at 31st March, 2024	1,00,000	10.00

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

Reconciliation of the preference share outstanding at the beginning and at the end of the reporting period

Particulars	No. of shares	Amount (Rs. In Lakhs)
As at the Beginning of the period	-	-
Add : Preference Shares issued during the year	-	-
As at 31st March, 2023	-	-
At the beginning of the year	-	-
Add : Preference Shares issued during the year	7,00,00,000	7,000.00
As at 31st March, 2024	7,00,00,000	7,000.00

6% Optionally Convertible Non-Cumulative Redeemable Preference [OCRPS] Shares are redeemable at par. At anytime during tenure of OCRPS, the Holder and issuer of OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. Such conversion shall happen at 1 equity shares for 1 OCRPS. The tenure of the OCRPS shall be 20 years from date of allotment. At any time after 12 months from date of allotment and during the tenure of the OCRPS, the company shall have right to redeem, all or any part of outstanding OCRPS. The OCRPS shall carry a preferential rights with respect to dividend on the paid up capital in the event of distribution of profits by the Company.

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

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2023 No. of shares
Name of Equity Shareholder		
Harsha Engineers International Limited	1,00,000	1,00,000
% Holding in Equity Shares		
Harsha Engineers International Limited	100.00%	100.00%
Name of Preference Shareholder		
Harsha Engineers International Limited	7,00,00,000	-
% Holding in Preference Shares		
Harsha Engineers International Limited	100.00%	-



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended 31st March, 2024

[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 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 said Act.

A: Principal amount remaining unpaid to any supplier as at year end	5.99	-
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	-	
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.	-	-

Note 14

Other Financial Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Security Deposits	18.34	
Total Other Non-Current Financial Liabilities	18.34	-
Current		
Payables for Capital Goods	223.71	-
Accrued Expenses	9.69	-
Total Other Current Financial Liabilities	233.40	-

Note 15

Other Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Payable to Statutory Authorities	12.32	-
Total Current Other Liabilities	12.32	-

Note 16

Current Tax Liabilities [Net]

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Provision for taxation (Net of Advance Tax of Rs. 9.25 Lakhs)	7.65	-
Total Current Tax Liabilities [Net]	7.65	-



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended 31st March, 2024

Note 17

Revenue from Operations

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sales of Products	142.97	-
Total Revenue from Operations	142.97	-

Note 18

Other Income

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income	46.65	-
Gain / (Loss) on Exchange Rate Fluctuation	0.01	-
Other Income-Non -Operating		
Gain / (Loss) on Sale of Investment (Mutual funds) (measured at FVTPL)	27.21	-
Total Other Income	73.87	-
# Includes unrealised Gain / (Loss) on Exchange Rate Fluctuation	(0.07)	-

Note 19

Cost of Materials Consumed

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cost of Material Consumed	131.80	-
Total Cost of Materials Consumed	131.80	-

Note 20

Change In Inventories of Finished Goods & Work-In-Progress

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Finished Goods Opening Stock	-	-
Less : Finished Goods Closing Stock	(47.82)	-
Total	(47.82)	-
Work-In-Progress Opening Stock	-	-
Less : Work-In-Progress Closing Stock	(13.73)	-
Total	(13.73)	-
Toolings Opening Stock	-	-
Less : Toolings Closing Stock	(12.00)	-
Total	(12.00)	-
Total Change In Inventories Of Finished Goods & Semi Finished Goods	(73.55)	-

Note 21

Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, Wages & Bonus etc.	5.11	-
Contribution to Provident and Other Funds	0.30	-
Expenses related to Post Employment Defined Benefit Plans(Refer Note:26)	0.38	-
Staff Welfare	0.29	-
Total Employee Benefit Expenses	6.08	-

Note 22

Finance Costs

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Expense		
On Others	5.65	-
Other Borrowing Costs		
Bank Charges & Processing Fees	0.10	-
Total Finance Costs	5.75	-



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HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 25 Income tax & Deferred Tax Asset/ (Liabilities) [Net]

A : Income Tax Expenses

1) Income taxes recognised in the Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Current Tax	16.42	-
Deferred Tax	2.20	-
Total Income Tax Expense	18.62	-

2) The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. In Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Profit/(Loss) Before Tax	2.52	-
Income Tax Expenses @ 17.16%	0.43	-
Adjustments:		
Non deductible expense for Tax purpose	15.22	
Other Income taxed at higher rate	3.74	
Others	(0.77)	
Current Tax reported in statement of Profit & Loss	18.62	-

B : Movement in Deferred Tax Balances

(Rs. In Lakhs)

Particulars	Net Balance April 1, 2023	For the year ended 31st March, 2024		As at 31st March, 2024		
		Recognised in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Fixed Assets	-	(3.97)	-	(3.97)	-	(3.97)
Gratuity	-	0.73	-	0.73	0.73	-
Leave Encashment	-	0.11	-	0.11	0.11	-
Cumulative C/F Business Loss	-	0.93	-	0.93	0.93	-
Remeasurement of Gratuity (OCI)	-	-	(0.04)	(0.04)	-	(0.04)
Deferred Tax Assets/ (Liabilities)	-	(2.20)	(0.04)	(2.24)	1.77	(4.01)



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 26

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

Particulars	2023-24	
	Gratuity	Leave Salary
Withdrawal rate	Age 25 & below : 5% P.A., 25 to 45 : 3% P.A. & 45 & above : 1% P.A.	
Retirement Age	58 Years	
Discount Rate	7.15% P.A.	
Salary escalation	6% P.A.	

The plan typically exposes the company to actuarial risk such as -

A. Actuarial Risk: Risk in cost more than expected due to adverse salary growth experience, variability mortality rates, and variability in withdrawal rate.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of the assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long duration or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain of the cashflows.

D. Market Risk: Market risk is collective term for risk that are related to changes and fluctuations of the financial markets. One actuarial assumption that has a market effect in the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to a decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk: Legislative risk is the risk of increase in plan liabilities or reduction in the plan assets due to change in the legislative/regulation.

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

Particulars	(Rs. In Lakhs)	
	2023-24	
	Gratuity	Leave Salary
Table showing change in benefit obligation		
Opening defined benefit obligation	-	-
Interest Cost	0.14	0.02
Transfer in / (out) Obligation	3.85	0.63
Current Service Cost	0.26	0.06
Benefit Paid	-	-
Due to change in financial Assumptions	-	-
Due to Experience adjustments	(0.21)	(0.10)
Liability at the end of the period	4.04	0.61
Table showing change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Interest Income	-	-
Benefit paid	-	-
Fair Value of Plan Assets at the end of the period	-	-

Particulars	(Rs. In Lakhs)	
	2023-24	
	Gratuity	Leave Salary
Amount recognized in Balance Sheet		
Liability at the end of the period	4.04	0.61
Fair Value of Plan Asset at the end of the period	-	-
Net Amount recognized in Balance Sheet	4.04	0.61

Particulars	(Rs. In Lakhs)	
	2023-24	
	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss		
Current Service cost	0.26	0.06
Interest cost	0.14	0.02
Expected return on Plan Asset	-	(0.10)
Net Expense recognized in P&L	0.40	(0.02)
Expense recognized in the Statement of Other Comprehensive Income		
Due to experience adjustment	(0.21)	-
Return on plan assets excluding amounts included in interest income	-	-
Net Expense recognized in OCI	(0.21)	-

Sensitivity Analysis

The Sensitivity Analysis is performed by varying a single parameters, while keeping all the other parameters unchanged.

Particulars	(Rs. In Lakhs)	
	Increase	Decrease
Gratuity		
Discount rate 0.5%/-0.5%	-0.05	0.05
Salary growth rate 0.5%/-0.5%	0.05	-0.05
Withdrawal/Attrition Rate 10%/-10%	0.00	-0.00
Leave salary		
Discount rate 0.5%/-0.5%	-0.01	0.01
Salary growth rate 0.5%/-0.5%	0.01	-0.01
Withdrawal/Attrition Rate 10%/-10%	0.00	-0.00

The Categories of Plan Assets as a % of total plan assets are:

Particulars	Gratuity	Leave
- Investment Funds	0%	0%
- Bank Balance	0%	0%



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 27

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. Holding Company

Name of Entity	Type
Harsha Engineers International Limited	Holding Company

B. Fellow Subsidiaries/ Joint Venture :-

Name of Entity	Type
Harsha Precision Bearing Components (China) Co., Ltd.	Subsidiary of Holding Company
Harsha Engineers Europe SRL	Subsidiary of Holding Company
Cleanmax Harsha Solar LLP	Joint Venture of Holding Company

Note :

- HASPL Americas Corporation, wholly owned subsidiary of the Holding Company was terminated in accordance with applicable laws and as per certificate issued by the State Corporation Commission, Virginia on February 29, 2024.
- The Holding Company has transferred its equity investment of 32,97,050 shares representing 25.9999% of Sunstream Green Energy One Private Limited ("SGEOPL") to the Sunstream Green Energy Private Limited on February 16, 2024. On account of this transfer the Company's stake has been reduced to 10 equity shares in SGEOPL. Hence, the SGEOPL is no more Associate of the Company.

C. Director or Key Management Personnel :-

Name	Type of Relationship
Vishal Rangwala ¹	Chairman & Whole-time Director of the Company and Chief Executive Officer & Whole-time Director of the Holding Company
Pilak Shah ²	Managing Director of the Company and Chief Operating Officer & Whole-time Director of the Holding Company
Rajendra Shah ³	Whole-time Director of the Company and Chairman & Whole-time Director of the Holding Company
Harish Rangwala ⁴	Whole-time Director of the Company and Managing Director of the Holding Company
Hetal Naik ⁵	Whole-time Director of the Holding Company
Maulik Jasani ⁶	Chief Financial Officer of the Company and Vice President Finance & Group Chief Financial Officer of the Holding Company
Kiran Mohanty ⁷	Company Secretary of the Company and Company Secretary & Chief Compliance Officer of the Holding Company

¹ Vishal Rangwala is appointed as Director of the Company with effect from September 5, 2023 and appointed as Chairman & Whole-time Director of the Company with effect from December 19, 2023.

² Pilak Shah is appointed as Managing Director of the Company with effect from December 19, 2023.

³ Rajendra Shah is appointed as Director of the Company with effect from September 5, 2023 and appointed as Whole-time Director of the Company with effect from December 19, 2023.

⁴ Harish Rangwala is appointed as Whole-time Director of the Company with effect from December 19, 2023.

⁵ Hetal Naik has resigned from the position of Director of the Company with effect from September 5, 2023 and appointed as Director of the Company with effect from May 14, 2024.

⁶ Maulik Jasani is appointed as Chief Financial Officer of the Company with effect from December 19, 2023.

⁷ Kiran Mohanty is appointed as Company Secretary of the Company with effect from December 19, 2023.

Note:

Tanvi Rangwala has resigned from the position of Director of the Company with effect from September 5, 2023.

D. Transactions during the year with related parties :-

1. Holding Company/ Subsidiary Company / Joint Venture / Associate Company:-

(Rs. In Lakhs)

Particulars	Investment in Equity / Preference Share Capital by Holding Company		Purchase of Goods/ Job work/ Service/ Assets/ Reimbursement		Loans Accepted	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Harsha Engineers International Limited	7,000	10	159	-	375	-

(Rs. In Lakhs)

Particulars	Loans Repaid		Interest Expense	
	2023-24	2022-23	2023-24	2022-23
Harsha Engineers International Limited	375	-	5	-

E. Outstanding balance :-

1. Holding Company/ Subsidiary Company / Joint Venture / Associate Company:-

(Rs. In Lakhs)

Particulars	Other Payables	
	As at March 31, 2024	As at March 31, 2023
Harsha Engineers International Limited	155	-



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 28 Other Notes

28.1. 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.

Particulars	(Rs. In Lakhs)	
	As at	As at
	31st March, 2024	31st March, 2023
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
(i) Letter of Credit/Corporate Guarantee/Stand by Letter of Credit (SBLC) & Bank Guarantee	1,533.70	-
(ii) Any Claims against the company not acknowledged as debts.	-	-
(b) CAPITAL COMMITMENTS :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	6,619.56	-

28.2. 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 provisions of Corporate Social Responsibility ("CSR") of the Act is not applicable to the company for the year.

28.3. Segment Reporting:

The Company operates mainly in manufacturing of "Bearing Cage & Stamp Component" and all other activities are incidental thereto, which have similar risk and return, accordingly, Geographical 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.

Information about major customers:

The following is the transactions by the Company with customers individually contributing 10 per cent or more of the Company's revenue from operations:

For the year ended 31 March 2024, revenue from operations of 2 customer of the Company represented approximately Rs.115.21 lakhs of the Company's revenue from operations.

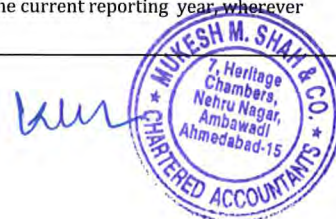
28.4. Additional Regulatory Information :

- 1) The Company does not have any investment property hence, comment related to revaluation is not made.
- 2) The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.
- 3) No proceedings have been initiated during the year or are pending against the Company as at reporting date for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 4) As on the reporting date, the Company has not availed any borrowings from banks or financial institutions.
- 5) The Company has not been declared as wilful defaulter (by virtue of Section 477 & 488 of the Companies Act, 2013) by any bank or financial institution or government or any government authority.
- 6) The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.
- 7) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 8) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- 9) (A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 10) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 11) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

28.5. Maintenance of Books of Accounts with Audit Trail

The Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail [edit log] facility and the same has been operational throughout the year for all relevant transactions recorded in the software except that no audit trail has been enabled at the database level for accounting software to log any direct data changes.

28.6. Previous year's figures have been regrouped / reclassified to make them comparable with those of the current reporting year, wherever necessary.



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 29 Financial Ratio

Particulars	Numerator	Denominator	FY 23-24	FY 22-23	% Change
1) Current Ratio (Times)	Current Assets	Current Liabilities	5.79	-	0%
2) Debt-Equity Ratio (Times)	Total debt (current and non-current borrowings & lease liabilities)	Total equity	0.00	-	0%
3) Debt Service Coverage Ratio (Times)	Profit After Tax Plus Depreciation and Finance Cost, Excluding Other Income	Debt Service = Current Debt Obligation (Interest and 12 months principal repayment)	-13.76	-	0%
4) Return on Equity Ratio (%)	Net profit attributable to Equity Share holders (PAT-Profit After Tax)	Average Equity	-0.46%	-	0%
5) Inventory turnover ratio (Times)	Net Sales	Average Inventories	2.75	-	0%
6) Trade Receivables turnover ratio (Times)	Net Sales	Average Accounts Receivable	1.78	-	0%
7) Trade payables turnover ratio (Times)	Cost of materials consumed and Other Expenses (Excluding Corporate Social Responsibility (CSR), Donations, Loss / (Profit) on Sale of Fixed Assets, Rates & Taxes, Sundry Balance write off /Bad debts (Net), Provision for doubtful debts	Average Accounts Payables	3.83	-	0%
8) Net capital turnover ratio (Times)	Net Sales	Average Working Capital	2.28	-	0%
9) Net profit ratio (%)	Net profit (PAT-Profit After Tax)	Revenue from Operations	-11.26%	-	0%
10) Return on Capital employed (%)	Profit before interest and tax	Average Capital Employed (Total Equity, Long Term Borrowings & Lease Liability)	0.24%	-	0%
11) Return on investment (%)	Income from Investment	Average Fund Invested	7.03%	-	0%
Reason for change more than 25% :					
The company has started its commercial operations from January 2024, hence comparative details for FY 2022-23 are not available.					



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

Note 30

A. Financial Instruments by Category and their Fair Value

(Rs. In Lakhs)

As at 31st March, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
<i>Loans</i>								
Current			16.37	16.37	-	-	-	-
Trade Receivables	-	-	160.94	160.94	-	-	-	-
Cash and Cash Equivalents	-	-	97.32	97.32	-	-	-	-
Other Bank Balances	-	-	1,725.62	1,725.62	-	-	-	-
Other financial assets								
Non-Current	-	-	403.18	403.18	-	-	-	-
Total financial assets	-	-	2,403.43	2,403.43	-	-	-	-
Financial liabilities								
<i>Other financial liabilities</i>								
Non-current	-	-	18.34	18.34	-	-	-	-
Current	-	-	233.40	233.40	-	-	-	-
Trade Payables	-	-	139.78	139.78	-	-	-	-
Other current liabilities	-	-	12.32	12.32	-	-	-	-
Total financial liabilities	-	-	403.84	403.84	-	-	-	-

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

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 1 (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 2 (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 3 (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. 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:



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended 31st March, 2024

(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. 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.

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

(Rs. In Lakhs)

Particulars	As at	
	31st March, 2024	31st March, 2023
Outstanding Foreign Receivables(Including Loans, if any)		
- Receivable in EUR	8,470	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	7.61	-
Outstanding Foreign Payables (Including Loans, if any)		
- Payable in EUR	-	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	-	-

Foreign Currency Risk Sensitivity

(Rs. In Lakhs)

Particulars	Movement (%)		Effect on PBT (In Lacs)		Effect on cost of assets	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
EUR Sensitivity						
INR/EUR- Increased by	1.00	-	0.08	0.00	-	-
INR/EUR- Decreased by	1.00	-	(0.08)	-	-	-

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 is as follows:

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Debt *	-	-
Total equity	6,994.07	10.00
Debt to total equity ratio	0:1 times	0:1 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.

Notes to Financial Statements 1 to 30

As per our report of even date attached

For **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration No. : 106625W

Karnik u. shah

CA Karnik Shah

Partner

M. No. : 129675

Date : May 14, 2024

Place : Ahmedabad



For and on behalf of the Board of Directors

Harsha Engineers Advantek Limited

(CIN: U28140GJ2023PLC139182)

Vishal Rangwala

Vishal Rangwala

Chairman & Whole-time Director

DIN: 02452416

Maulik Jasani

Maulik Jasani

Chief Financial Officer

Date : May 14, 2024

Place : Ahmedabad

Pilak Shah

Pilak Shah

Managing Director

DIN: 00407960

Kiran Mohanty

Kiran Mohanty

Company Secretary

M. No.: F9907