

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 2025, 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, 2025, and its profit, 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.

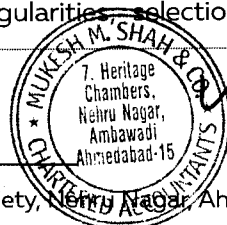
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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:

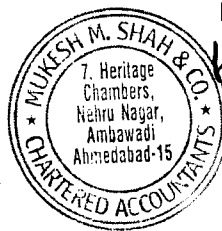
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept, so far as it appears from our examination of those books. The 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, 2025 taken on record by the Board of Directors, none of the directors, is disqualified as on March 31, 2025 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;

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- 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 2025 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 our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Place: Ahmedabad
Date: May 06, 2025
UDIN: 25129675BMOJGS1953



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

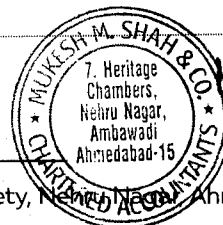
Karnik K. Shah
Karnik K. Shah
Partner
Membership No.: 129675

"Annexure A" to the Independent Auditors' Report

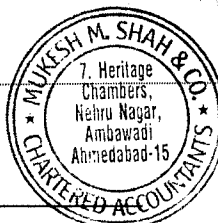
The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2025.

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), and Capital Work in Progress.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, plant and equipment and capital work in progress 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, and Capital Work in Progress 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, 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 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, 2025 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 by the Management at reasonable intervals during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. 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 the books of account.
- (b) According to the information and explanations given to us and based on the records examined by us, the Company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks on the basis of security of current assets. As per the records verified by us, in our opinion, the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (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, 2025 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, 2025.
- (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) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (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 subsidiaries, associates, or joint ventures.
- (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.

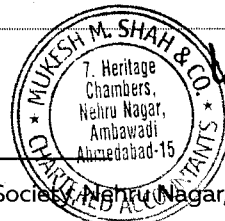


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- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the 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 not incurred cash losses during the current financial year and has incurred cash losses of Rs. 11.01 Lacs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (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



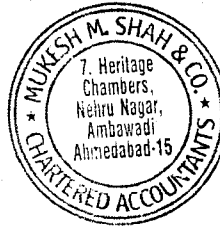
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date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that 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 06, 2025
UDIN: 25129675BMOJGS1953



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, 2025 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.

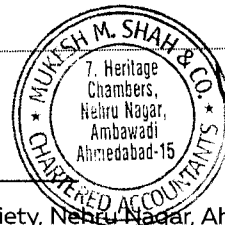
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial 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



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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.

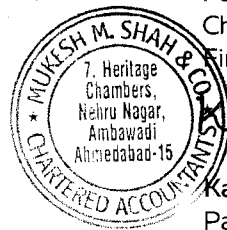
Inherent limitations of Internal Financial Controls Over Financial Reporting

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, 2025, 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 06, 2025
UDIN: 25129675BMOJGS1953



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 March 31, 2025

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,263.59	2,936.63
Capital Work-In-Progress	2	12,901.55	431.96
Other Intangible Assets	2	13.12	16.56
Financial Assets			
Investments	3	1,002.96	-
Loans & Advances	4	0.02	-
Other Financial Assets	5	161.00	403.18
Other Non-Current Assets	6	2,891.54	1,347.09
Total Non-Current Assets		21,233.78	5,135.42
Current Assets			
Inventories	7	107.63	104.14
Financial Assets			
Trade Receivables	8	175.88	160.94
Cash and Cash Equivalents	9	105.52	97.32
Bank Balances other than Cash and Cash Equivalents	9	331.86	1,725.62
Loans & Advances	4	0.93	-
Other Financial Assets	5	38.91	16.37
Other Current Assets	6	1,537.50	172.65
Total Current Assets		2,298.23	2,277.04
TOTAL ASSETS		23,532.01	7,412.46
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	13,010.00	7,010.00
Other Equity	11	63.29	(15.93)
Total Equity		13,073.29	6,994.07
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	9,371.53	-
Other Financial Liabilities	16	4.38	0.41
Provisions	13	15.24	4.57
Deferred Tax Liabilities (Net)	14	6.59	2.24
Total Non-Current Liabilities		9,397.74	7.22
Current Liabilities			
Financial Liabilities			
Trade Payables	15		
-Dues to Micro & Small Enterprises		16.89	5.99
-Dues to other than Micro & Small Enterprises		122.63	133.79
Other Financial Liabilities	16	885.83	251.33
Other Current Liabilities	17	27.40	12.32
Provisions	13	5.87	0.09
Current Tax Liabilities [Net]	18	2.36	7.65
Total Current Liabilities		1,060.98	411.17
Total Liabilities		10,458.72	418.39
TOTAL EQUITY AND LIABILITIES		23,532.01	7,412.46
Material Accounting Policies	1		
Notes to Financial Statements	1 to 32		

As per our report of even date attached

For Mukesh M. Shah & Co.,

Chartered Accountants

Firm Registration No. : 106625W

Karnik K. 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 06, 2025

Place : Ahmedabad

Kiran Mohanty

Kiran Mohanty

Company Secretary

M. No.: F9907

Date : May 06, 2025

Place : Ahmedabad

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Profit and Loss for the year ended March 31, 2025

(Rs. In Lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from Operations	19	768.11	142.97
Other Income	20	161.95	73.87
Total Income (A)		930.06	216.84
EXPENSES			
Cost of Materials Consumed	21	348.58	131.80
Change In Inventories of Finished Goods & Work-In-Progress	22	(14.06)	(73.55)
Employee Benefits Expenses	23	126.09	6.08
Finance Costs	24	9.85	5.75
Depreciation and Amortization Expenses	2	61.96	5.09
Other Expenses	25	280.34	139.15
Total Expenses (B)		812.76	214.32
Profit/ (Loss) Before Tax (C)=(A-B)		117.30	2.52
Tax Expense			
Current Tax	27	33.31	16.42
Deferred Tax	27	4.42	2.20
Total Tax Expense (D)		37.73	18.62
Profit/ (Loss) After Tax for the year (E)=(C-D)		79.57	(16.10)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	28	(0.42)	0.21
Income tax relating to these items	27	0.07	(0.04)
Other Comprehensive Income for the year, net of tax (F)		(0.35)	0.17
Total Comprehensive Income for the year (E+F)		79.22	(15.93)
Earning Per Equity Share (EPS) for the year	26		
Basic (Rs.)		79.57	(16.10)
Diluted (Rs.)		0.07	(0.05)
Material Accounting Policies	1		
Notes to Financial Statements	1 to 32		

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 06, 2025
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

Pilak Shah
Pilak Shah
Managing Director
DIN: 00407960

Maulik Jasani
Maulik Jasani
Chief Financial Officer
Date : May 06, 2025
Place : Ahmedabad

Kiran Mohanty
Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Cash flow Statement for the year ended March 31, 2025

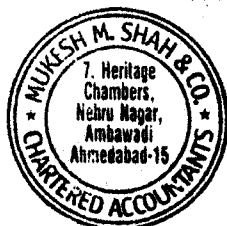
(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per statement of profit and loss	117.30	2.52
Adjustments for:		
Depreciation and Amortization Expenses	61.96	5.09
Interest Income	(55.47)	(46.65)
Finance Cost	9.85	5.75
Loss/(Profit) on Sale of Current Investment	(45.99)	(27.21)
Operating Profit before Working Capital Changes	87.65	(60.50)
Adjustments for Changes in Working Capital		
Inventories	(3.49)	(104.14)
Trade Receivables	(14.94)	(160.94)
Loan and Advances	(0.95)	-
Other Financial Assets	250.63	(403.18)
Other Current Assets	(1,373.56)	(172.65)
Trade Payables	8.45	139.78
Other Financial Liabilities	83.22	10.10
Other Current Liabilities	15.08	12.32
Provisions	16.45	4.87
Cash Generated from Operations	(931.46)	(734.34)
Income Taxes Paid	(39.02)	(8.77)
Net Cash Flow from Operating Activities (A)	(970.48)	(743.11)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment, Capital Work-In-Progress and Other Intangibles	(14,844.27)	(4,495.69)
Interest Income	49.48	30.28
Sale /(Purchase) of Non-Current Investments	(1,002.96)	-
Sale /(Purchase) of Current Investments (Net)	45.99	27.21
(Increase) / Decrease in fixed deposits with bank (Net)	1,368.76	(1,725.62)
Net Cash Flow from Investing Activities (B)	(14,383.00)	(6,163.82)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Preference shares	6,000.00	7,000.00
Proceeds from Non-Current Borrowings	9,371.53	-
Proceeds / (Repayment) of Current Borrowings (Net)	-	-
Finance Cost	(9.85)	(5.75)
Net Cash Flow from Financing Activities (C)	15,361.68	6,994.25
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	8.20	87.32
Cash and Cash Equivalents at the beginning of the year		
Cash on Hand	0.42	-
Balances with Banks	96.90	10.00
	97.32	10.00
Cash and Cash Equivalents at the end of the year		
Cash on Hand	0.30	0.42
Balances with Banks	105.22	96.90
	105.52	97.32
Notes to Financial Statements 1 to 32		

As per our report of even date attached
For Mukesh M. Shah & Co.,
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Kiran Mohanty

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Changes In Equity (SOCIE) for the year ended March 31, 2025

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 March 31, 2023	1,00,000	10.00	-	-
Add : Shares issued during the year	-	-	7,00,00,000	7,000.00
As at March 31, 2024	1,00,000	10.00	7,00,00,000	7,000.00
Add : Shares issued during the year	-	-	6,00,00,000	6,000.00
As at March 31, 2025	1,00,000	10.00	13,00,00,000	13,000.00

B. Other Equity

Particulars	Reserve & Surplus	Total Other Equity
	Retained Earnings	
As at March 31, 2023	-	-
Profit for the year	(16.10)	(16.10)
Other comprehensive income for the year (Net of Tax)	0.17	0.17
Total Comprehensive Income for the year	(15.93)	(15.93)
As at March 31, 2024	(15.93)	(15.93)
Profit for the year	79.57	79.57
Other comprehensive income for the year (Net of Tax)	(0.35)	(0.35)
Total Comprehensive Income for the year	63.29	63.29
As at March 31, 2025	63.29	63.29

Nature and purpose of reserves :

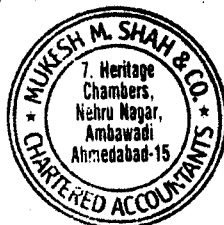
Retained Earnings: Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Notes to Financial Statements 1 to 32

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

Karnik M. Shah

CA Karnik Shah
Partner
M. No. : 129675



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Company Secretary
M. No.: F9907

Date : May 06, 2025
Place : Ahmedabad

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 1 Material Accounting Policy Information

A. GENERAL INFORMATION

HARSHA ENGINEERS ADVANTEK LIMITED ("HEAL" or "the Company") (CIN: U28140GJ2023PLC139182), 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 bushings & other stamping products. The Registered Office of the Company is located at Sarkhej-Bavla Road, Changodar, Ahmedabad-382213, Gujarat, India. These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 6, 2025.

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 & two decimal thereof, 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:

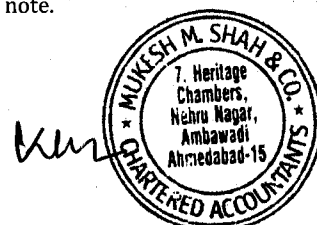
Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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 March 31, 2025

C. MATERIAL ACCOUNTING POLICIES

C.1. Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

C.2. Financial Instruments

2.1. Financial Assets

i) Classification

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

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

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

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

- i. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

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

iii) Subsequent Measurement and Gains and Losses

-Financial assets at FVTPL

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

-Financial assets at amortized cost

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

iv) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.2. Financial Liabilities

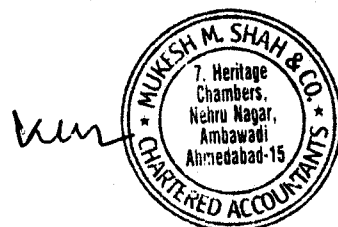
i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2025

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, constructions expenditure and Pre-operative expenditure including financial cost, if any.

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

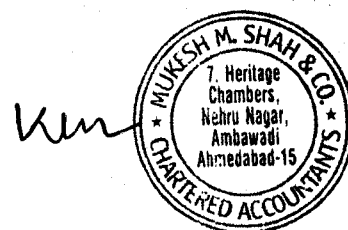
Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. 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 March 31, 2025

C.5. Intangible Assets

i. Initial Recognition and Classification

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

ii. Subsequent Expenditure

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

iii. Amortisation

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

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Derecognition

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

C.6. Inventories

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

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

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

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

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

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

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

C.7. Impairment

i. Impairment of Financial Assets

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

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

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

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

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

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

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

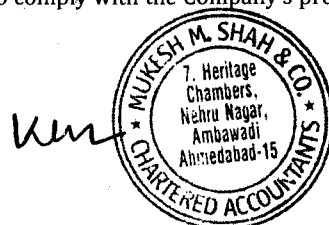
Measurement of Expected Credit Losses

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

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

Write-off

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



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

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

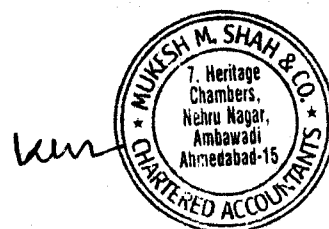
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, 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 March 31, 2025

Income from services

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

ii. Export Benefits

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

C.10. Recognition of Dividend Income, Interest Income

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

C.11. Income Tax

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

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred Tax

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

C.12. Cash and Cash Equivalents

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

C.13. Borrowing Cost

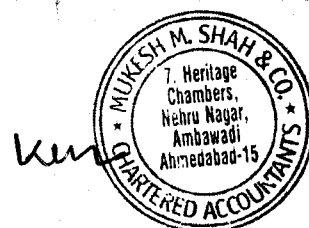
Borrowing cost are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset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

C.14. Earnings Per Share

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

C.15. Cash Flow Statement

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



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2025

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.

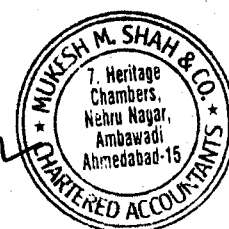
Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts, until such time that the liabilities arising out of these outstanding litigations have been crystallised by virtue of a final order being passed by the relevant regulatory authority or court or forum. 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 March 31, 2025

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

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

Common Control Transactions

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

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

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

C.19. Events after reporting date

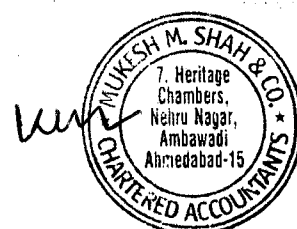
Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

C.20. Recent Accounting Pronouncements:

The Ministry of Corporate Affairs [MCA] notifies new standards or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 1, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchange ability and estimating exchange rates when currencies are not readily exchangeable.

The amendments are effective for the year beginning from April 1, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note : 2 Property, Plant & Equipment
For the year ended March 31 2025

Particulars	Gross Block			Depreciation and Amortization			Net Block	
	As at April 01, 2024	Addition during the year	Disposal/ Adjustment	As at March 31, 2025	For the year	Disposal/ Adjustment	As at March 31, 2025	As at March 31, 2024
Property, Plant & Equipment								
Freehold Land	2,593.39	1,049.00	-	3,642.39	-	-	3,642.39	2,593.39
Plant And Machineries	335.76	334.38	-	670.14	57.27	-	608.43	331.32
Furniture And Fittings	0.65	-	-	0.65	0.06	-	0.59	0.65
Electric Installation	11.17	2.10	-	13.27	1.15	-	12.11	11.16
Computer & Peripherals	0.11	-	-	0.11	0.04	-	0.07	0.11
TOTAL (A)	2,941.08	1,385.48	-	4,326.56	58.52	-	4,263.59	2,936.63
Other Intangible Assets								
Computer software	17.20	-	-	17.20	3.44	-	13.12	16.56
TOTAL (B)	17.20	-	-	17.20	3.44	-	13.12	16.56
TOTAL (A+B)	2,958.28	1,385.48	-	4,343.76	61.96	-	4,276.71	2,953.19

Capital Work-in-progress aging schedule as at March 31 2025

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	12,649.03	252.52	-	-	12,901.55
Projects temporarily suspended	-	-	-	-	-

^ No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Note : 2 Property, Plant & Equipment
For the year ended March 31 2024

Particulars	Gross Block			Depreciation and Amortization			Net Block	
	As at April 01, 2023	Addition during the year	Disposal/ Adjustment	As at March 31, 2024	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2023
Property, Plant & Equipment								
Freehold Land	-	2,593.39	-	2,593.39	-	-	2,593.39	-
Plant And Machineries	-	335.76	-	335.76	4.44	-	331.32	-
Furniture And Fittings	-	0.65	-	0.65	0.00	-	0.65	-
Electric Installation	-	11.17	-	11.17	0.01	-	11.16	-
Computer & Peripherals	-	0.11	-	0.11	0.00	-	0.11	-
TOTAL (A)	-	2,941.08	-	2,941.08	4.45	-	2,936.63	-
Other Intangible Assets								
Computer software	-	17.20	-	17.20	0.64	-	16.56	-
TOTAL (B)	-	17.20	-	17.20	0.64	-	16.56	-
TOTAL (A+B)	-	2,958.28	-	2,958.28	5.09	-	2,953.19	-

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

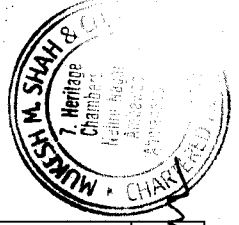
CWIP ^	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	431.96	-	-	-	431.96
Projects temporarily suspended	-	-	-	-	-

^ No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Note : 1. The company has not revalued any tangible & intangible asset.

2. The title deeds of all the immovable properties are held in the name of the Company.

3. Refer Note 30.1(b) for Capital Contractual Commitments with respect to property, plant and equipments.



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 3

Investments

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
A) Investments - Others		
Measured at Amortised cost		
Investments in Bonds (Quoted)	1,002.96	-
Total Non-Current Investments	1,002.96	-
1) i Aggregate book value of quoted investments	1,002.96	-
ii Aggregate market value of quoted investments	1,001.60	-

Note 4

Loans & Advances

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
(Unsecured, Considered Good)		
Loans to Employees #	0.02	-
Total Non - Current Loans & Advances	0.02	-
Current		
(Unsecured, Considered Good)		
Loan to Employees #	0.93	-
Total Current Loans & Advances	0.93	-

The loans to employees are interest free and are generally for a tenure of 6 months to 2.5 years.

Note 5

Other Financial Assets

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Security Deposits (Unsecured, Considered Good)	136.00	403.18
Fixed deposits with maturity more than 12 months #	25.00	-
Total Other Non-Current Financial Assets	161.00	403.18
Current		
Export Benefits Receivables	16.55	-
Interest Income Receivable	22.36	16.37
Total Other Current Financial Assets	38.91	16.37

Note : Balances with banks to the extent held as margin money deposit against Guarantees.

Note 6

Other Assets

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Capital Advances (Unsecured, Considered Good)	2,891.54	1,347.09
Total Other Non-Current Assets	2,891.54	1,347.09
Current		
(Unsecured, Considered Good)		
Balances With Statutory Authorities	1,535.50	162.69
Prepaid Expenses	1.32	0.57
Advances To Suppliers	0.68	9.39
Total Other Current Assets	1,537.50	172.65

Note 7

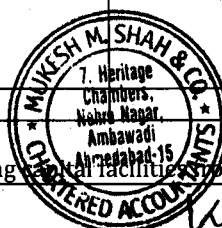
Inventories

(Rs. In Lakhs)

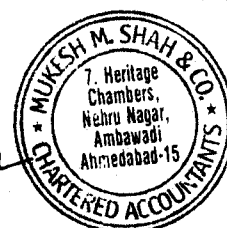
Particulars	As at March 31, 2025	As at March 31, 2024
Raw Material	9.21	30.51
Work-In-Progress	44.72	13.73
Finished Goods	30.71	47.82
Stores, Spares & Other	10.81	0.08
Toolings	12.18	12.00
Total Inventories	107.63	104.14

1. Inventories valued at lower of cost or net realisable value.

2. Inventories are hypothecated to secured term loan & working capital facilities from banks - Refer Note 12



HARSHA ENGINEERS ADVANTEK LIMITED							
Notes to the Financial Statements for the year ended March 31, 2025							
Note 8							
Trade Receivables						(Rs. In Lakhs)	
Particulars			As at March 31, 2025		As at March 31, 2024		
Unsecured Trade Receivables							
Considered Good			175.88		160.94		
Less: Allowances for credit losses			-		-		
Total Trade Receivables #			175.88		160.94		
# Includes trade receivable from related parties -Refer Note 29F			4.41		-		
The average credit period on sale of goods is 0 - 60 days.							
Trade receivables are hypothecated to secured term loan & working capital facilities from banks -Refer Note 12							
Ageing of Trade Receivables						(Rs. In Lakhs)	
Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025							
Undisputed -Considered Good	152.24	23.61	0.03	-	-	-	175.88
Undisputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed -Credit Impaired	-	-	-	-	-	-	-
Disputed -Considered Good	-	-	-	-	-	-	-
Disputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed -Credit Impaired	-	-	-	-	-	-	-
Gross carrying amount	152.24	23.61	0.03	-	-	-	175.88
Less: Allowances for credit losses							
Net carrying amount	152.24	23.61	0.03	-	-	-	175.88
As at March 31 2024							
Undisputed -Considered Good	160.94	-	-	-	-	-	160.94
Undisputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed -Credit Impaired	-	-	-	-	-	-	-
Disputed -Considered Good	-	-	-	-	-	-	-
Disputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed -Credit Impaired	-	-	-	-	-	-	-
Gross carrying amount	160.94	-	-	-	-	-	160.94
Less: Allowances for credit losses							
Net carrying amount	160.94	-	-	-	-	-	160.94
Note 9							
Cash and Bank Balances						(Rs. In Lakhs)	
Particulars			As at March 31, 2025		As at March 31, 2024		
Cash and Cash Equivalents							
Cash on Hand			0.30		0.42		
Balances with Banks			105.22		96.90		
Total Cash and Cash Equivalents			105.52		97.32		
Bank Balance Other than Cash and Cash Equivalents							
In Fixed Deposit #			331.86		1,725.62		
Total Bank Balance Other than Cash and Cash Equivalents			331.86		1,725.62		
Total Cash and Bank Balances			437.38		1,822.94		
# Note:Balances with banks to the extent held as margin money deposit against Guarantees & Letter of Credits.							



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 10

Equity Share Capital

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital		
1,00,000 (Previous Year: 1,00,000) Equity Shares of Face Value Rs.10/-each	10.00	10.00
15,00,00,000 (Previous Year: 10,00,00,000) Preference Share (6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Face Value Rs. 10/- each) (Increased authorised preference share capital by 5,00,00,000 Preference Shares of Rs.10/ each as on 3rd June 2024)	15,000.00	10,000.00
Total	15,010.00	10,010.00

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
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
13,00,00,000 (Previous Year: 7,00,00,000) Preference Share Capital (6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Face Value Rs. 10/- each, fully paid up)	13,000.00	7,000.00
Total	13,010.00	7,010.00

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

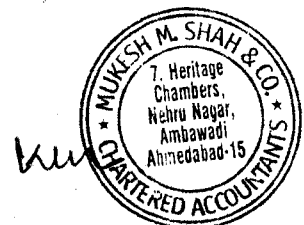
Particulars	No. of shares	Amount (Rs. In Lakhs)
As at the Beginning of the year	1,00,000	10.00
Add : Equity Shares issued during the year	-	-
As at March 31, 2024	1,00,000	10.00
At the beginning of the year	1,00,000	10.00
Add : Equity Shares issued during the year	-	-
As at March 31, 2025	1,00,000	10.00

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.

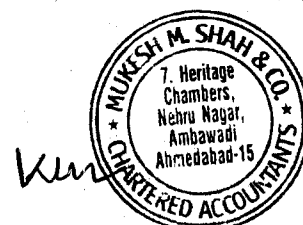
Reconciliation of the preference share outstanding at the beginning and at the end of the reporting period

Particulars	No. of shares	Amount (Rs. In Lakhs)
As at the Beginning of the year	-	-
Add : Preference Shares issued during the year	7,00,00,000	7,000.00
As at March 31, 2024	7,00,00,000	7,000.00
At the beginning of the year	7,00,00,000	7,000.00
Add : Preference Shares issued during the year	6,00,00,000	6,000.00
As at March 31, 2025	13,00,00,000	13,000.00

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.



HARSHA ENGINEERS ADVANTEK LIMITED		
Notes to the Financial Statements for the year ended March 31, 2025		
Details of shareholder(s) holding more than 5% Shares		
Particulars	As at March 31, 2025	As at March 31, 2024
	No. of shares	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	13,00,00,000	7,00,00,000
% Holding in Preference Shares		
Harsha Engineers International Limited	100.00%	100.00%
Details of Shareholding of Promoters		
Particulars	As at March 31, 2025	As at March 31, 2024
	No. of shares	No. of shares
Name of Equity Shareholder		
Harsha Engineers International Limited	1,00,000	1,00,000
% Holding in Total Equity Shares	100.00%	100.00%
% change during the year	0.00%	
Name of Preference Shareholder		
Harsha Engineers International Limited	13,00,00,000	7,00,00,000
% Holding in Total Equity Shares	100.00%	100.00%
% change during the year	0.00%	
Note 11		
Other Equity		(Rs. In Lakhs)
Particulars	As at March 31, 2025	As at March 31, 2024
A : Retained Earnings		
Opening Balance	(15.93)	-
Add: Profit/(Loss) during the year	79.57	(16.10)
Add / Less: Remeasurement of defined benefit plan transferred from OCI	(0.35)	0.17
Total Retained Earnings	63.29	(15.93)
B : Other Comprehensive Income (OCI)		
Items that will not be reclassified to statement of profit and loss		
Remeasurement of defined benefit plan :		
Opening Balance	-	-
Increase/(Decrease) During the Year	(0.42)	0.21
Income Tax relating to above item	0.07	(0.04)
Less: Transferred to retained earnings	0.35	(0.17)
Total Other Comprehensive Income (OCI)	-	-
Total Other Equity	63.29	(15.93)
Note: Refer statement of changes in equity (SOCIE) for nature and purpose of reserves.		
Note 12		
Borrowings		(Rs. In Lakhs)
Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current Borrowings		
Secured		
From HDFC Bank Ltd	9,371.53	-
Total Non-Current Borrowings	9,371.53	-



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

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

HDFC Bank Ltd

Secured by hypothecation of exclusive charge on the entire movable fixed assets, second charge on the entire stock and book debts and Corporate Guarantee of Harsha Engineers International Ltd, India.

As per the original terms, the loan is repayable in 30 Quarterly instalments starting from June 2026.

Rate of interest ranges from 8.00 % to 8.60 % p.a . on Long Term Borrowing

The Company has obtained borrowings from bank on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books of accounts.

Terms of Repayments:

Non- Current Borrowing

Particulars	As at March 31, 2025	As at March 31, 2024
1-2 Years	1,249.54	-
2-3 Years	1,249.54	-
3-4 Years	1,249.54	-
Beyond 4 Years	5,622.92	-
Total	9,371.53	-

Note: There are no repayment due within one year in respect of Non- Current Borrowing availed by the company.

Note 13

Provisions

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision For Employees Benefits, Refer Note : 28	15.24	4.57
Total Non-Current Provisions	15.24	4.57
Current		
Provision For Employees Benefits, Refer Note : 28	5.87	0.09
Total Current Provisions	5.87	0.09

Note 14

Deferred Tax Liability / (Asset)

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability, Refer Note : 27	9.71	4.01
Less : Deferred Tax Asset, Refer Note : 27	(3.12)	(1.77)
Net Deferred Tax Liability / (Asset)	6.59	2.24

Note 15

Trade Payables

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises [#]	16.89	5.99
Dues to other than Micro and Small Enterprises	122.63	133.79
Total Trade Payables \$	139.52	139.78

\$ Includes trade payable to related parties -Refer Note 29F

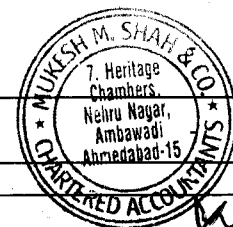
27.65

155.44

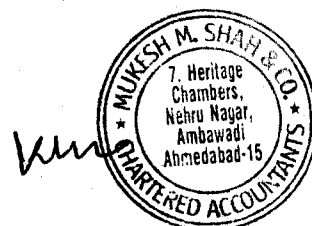
Trade Payables are generally settled as per payment terms agreed by the Company and Vendor

[#] 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.

Particulars	As at March 31, 2025	As at March 31, 2024
A: Principal amount remaining unpaid to any supplier as at year end	16.89	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.	-	-



HARSHA ENGINEERS ADVANTEK LIMITED						
Notes to the Financial Statements for the year ended March 31, 2025						
Ageing of Trade Payables						(Rs. In Lakhs)
Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025						
(i) MSME -Undisputed	16.89	-	-	-	-	16.89
(ii) Other -Undisputed	59.52	63.11	-	-	-	122.63
(iii) MSME -Disputed	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-
Total	76.41	63.11	-	-	-	139.52
As at March 31 2024						
(i) MSME -Undisputed	5.99	-	-	-	-	5.99
(ii) Other -Undisputed	112.89	20.90	-	-	-	133.79
(iii) MSME -Disputed	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-
Total	118.88	20.90	-	-	-	139.78
Note 16						
Other Financial Liabilities						(Rs. In Lakhs)
Particulars				As at March 31, 2025		As at March 31, 2024
Non-Current						
Security Deposits From Vendors				4.38		0.41
Total Other Non-Current Financial Liabilities				4.38		0.41
Current						
Interest accrued but not due on borrowings				59.90		-
Payables for Capital Goods				796.89		241.64
Accrued Expenses				29.04		9.69
Total Other Current Financial Liabilities				885.83		251.33
Note 17						
Other Liabilities						(Rs. In Lakhs)
Particulars				As at March 31, 2025		As at March 31, 2024
Current						
Payable to Statutory Authorities				27.40		12.32
Total Current Other Liabilities				27.40		12.32
Note 18						
Current Tax Liabilities [Net]						(Rs. In Lakhs)
Particulars				As at March 31, 2025		As at March 31, 2024
Current						
Provision for taxation (Net of Advance of Rs. 29.32 Lakhs [Previous Year : Rs. 9.25 Lakhs])				2.36		7.65
Total Current Tax Liabilities [Net]				2.36		7.65



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 19

Revenue from Operations

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales of Products	768.11	142.97
Total Revenue from Operations	768.11	142.97

i) Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 - Revenue from Contract with Customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of revenue from operations with the contracted price:		
Revenue as per Contract price	768.59	142.97
Less: Discounts	(0.48)	-
Less: Sales return	-	-
Total Revenue from Operations	768.11	142.97
ii) Revenue disaggregation by geography:		
a. India	768.11	142.97
b. Outside India	-	-
Total Revenue from Operations	768.11	142.97

iii) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract assets :		
Trade receivables	175.88	160.94
Contract liabilities :		
Advance from customers	-	-

Note 20

Other Income

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income	55.47	46.65
Gain / (Loss) on Exchange Rate Fluctuation #	60.49	0.01
Other Income-Non -Operating		
Gain / (Loss) on Sale of Investment (Mutual funds) (measured at FVTPL)	45.99	27.21
Total Other Income	161.95	73.87
# Includes unrealised Gain / (Loss) on Exchange Rate Fluctuation	(2.75)	(0.07)

Note 21

Cost of Materials Consumed

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cost of Material Consumed	348.58	131.80
Total Cost of Materials Consumed	348.58	131.80

Note 22

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

(Rs. In Lakhs)

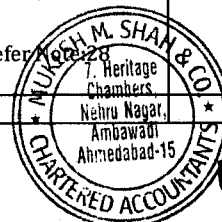
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished Goods Opening Stock	47.82	-
Less : Finished Goods Closing Stock	(30.71)	(47.82)
Total	17.11	(47.82)
Work-In-Progress Opening Stock	13.73	-
Less : Work-In-Progress Closing Stock	(44.72)	(13.73)
Total	(30.99)	(13.73)
Toolings Opening Stock	12.00	-
Less : Toolings Closing Stock	(12.18)	(12.00)
Total	(0.18)	(12.00)
Total Change In Inventories of Finished Goods & Work-In-Progress	(14.06)	(73.55)

Note 23

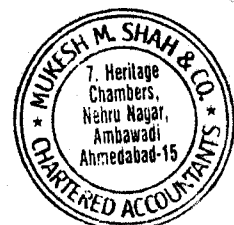
Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Wages & Bonus etc.	109.70	5.11
Contribution to Provident and Other Funds	6.61	0.30
Expenses related to Post Employment Defined Benefit Plans Refer Note 28	3.02	0.38
Staff Welfare	6.76	0.29
Total Employee Benefit Expenses	126.09	6.08



HARSHA ENGINEERS ADVANTEK LIMITED		
Notes to the Financial Statements for the year ended March 31, 2025		
Note 24		
Finance Costs		
	(Rs. In Lakhs)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Expense		
On Working Capital Loans ^	9.12	5.15
On Others (Interest on Income Tax)	0.40	0.50
Other Borrowing Costs		
Bank Charges	0.33	0.10
Total Finance Costs	9.85	5.75
^ Includes Interest Expenses of related parties -Refer Note 29E		
	7.64	5.15
Note 25		
Other Expenses		
	(Rs. In Lakhs)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stores & Spares Consumed	16.75	0.07
Packing Materials Consumed	7.87	0.53
Power & Fuel Consumption	46.12	5.62
Machinery Repairs & Maintenance	2.69	0.06
Contractor-Labour Charges	113.92	8.69
Advertisement & Sales Promotion	12.05	-
Celebration Expenses	0.24	0.01
Computer Expenses	0.01	-
Freight, Forwarding & Clearing Expenses	3.11	0.71
Insurance Premium	0.18	-
Legal & Professional Expenses #	55.63	116.23
Rent Expenses	18.31	2.28
Repairs & Maintenance (Others)	1.09	1.32
Rates & Taxes	1.09	3.38
Stationery, Printing & Communication Expenses	0.43	0.02
Staff Training, Membership & Subscription	0.08	-
Traveling & Conveyance Expenses	0.63	0.15
Preliminary Expenses	-	0.08
Miscellaneous expenses	0.14	-
Total Other Expenses	280.34	139.15
# Legal and Professional Expenses include:		
	(Rs. In Lakhs)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to Statutory Auditor as (Excluding taxes):		
a) Audit Fees	4.00	4.00
b) Other Services	0.25	-
Total	4.25	4.00
Note 26		
Earning Per Share		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax attributable to Equity Holders (Rs. in Lakhs)	79.57	(16.10)
Weighted average number of Equity Shares for Basic EPS	1,00,000	1,00,000
Weighted average number of Potential Equity Shares pursuant to issue of 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares *	11,13,42,466	3,53,55,191
Weighted average number of Diluted Shares for Diluted EPS	11,14,42,466	3,54,55,191
Nominal value of equity share (Rs.)	10	10
Earnings Per Share (Rs.)		
Basic	79.57	(16.10)
Diluted	0.07	(0.05)
[*] For Diluted EPS calculation, we have considered dilution effect of 13,00,00,000 Optionally Convertible Non-Cumulative Redeemable Preference Share on weighted average basis.		



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 27 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	
	March 31, 2025	March 31, 2024
Current Tax	31.45	16.42
Excess / Short Provision of Tax	1.86	-
Deferred Tax	4.42	2.20
Total Income Tax Expense	37.73	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	
	March 31, 2025	March 31, 2024
Profit/(Loss) Before Tax	117.30	2.52
Income Tax Expenses @ 17.168% (March 31, 2024 : 17.168%)	20.13	0.43
Adjustments:		
Differences due to Higher rate Tax on Other Income & CG	6.76	3.74
Permanent Difference - Expenses/(Income)	7.50	15.22
Net Tax & Deferred Tax of Previous year	2.84	(0.77)
DT not create on Pre-operative Gratuity & Leave Liability	0.50	-
Current Tax reported in statement of Profit & Loss	37.73	18.62

B : Movement in Deferred Tax Balances

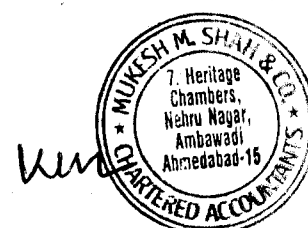
(Rs. In Lakhs)

Particulars	Net Balance April 1, 2024	For the year ended March 31, 2025		As at March 31, 2025		
		Recognised in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(3.97)	(5.74)	-	(9.71)	-	(9.71)
Gratuity	0.73	1.70	-	2.43	2.43	-
Leave Encashment	0.11	0.55	-	0.66	0.66	-
Cumulative C/F Business Loss	0.93	(0.93)	-	-	-	-
Remeasurement of Gratuity (OCI)	(0.04)	-	0.07	0.03	0.03	-
Deferred Tax Assets/ (Liabilities)	(2.24)	(4.42)	0.07	(6.59)	3.12	(9.71)

Movement in Deferred Tax Balances

(Rs. In Lakhs)

Particulars	Net Balance April 1, 2023	For the year ended March 31, 2024		As at March 31, 2024		
		Recognised in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	-	(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 March 31, 2025

Note 28

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

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	Age 25 & below : 5% p.a.		Age 25 & below : 5% p.a.	
	Age 25 to 45 : 3% p.a.		Age 25 to 45 : 3% p.a.	
	Age 45 & Above : 1% p.a.		Age 45 & Above : 1% p.a.	
Retirement Age	58 Years		58 Years	
Discount Rate	6.75% P.A.		7.15% P.A.	
Salary escalation	6% P.A.		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".

(Rs. In Lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	4.04	0.61	-	-
Interest Cost	0.89	0.04	0.14	0.02
Transfer in /(out) Obligation	16.81	5.29	3.85	0.63
Current Service Cost	2.74	1.18	0.26	0.06
Benefit Paid	(9.34)	(2.50)	-	-
Due to change in financial Assumptions	0.61	0.28	-	-
Due to Experience adjustments	(0.19)	0.63	(0.21)	(0.10)
Liability at the end of the period	15.57	5.54	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	-	-	-	-

(Rs. In Lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Amount recognized in Balance Sheet				
Liability at the end of the period	15.57	5.54	4.04	0.61
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognized in Balance Sheet	15.57	5.54	4.04	0.61

(Rs. In Lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss				
Current Service cost	2.74	1.18	0.26	0.06
Interest cost	0.89	0.04	0.14	0.02
Expected return on Plan Asset	-	0.90	-	(0.10)
Transfer to Capital WIP (Preoperative Expenses) / transfer from Holding Co.	(1.17)	(1.56)	-	-
Net Expense recognized in P&L	2.46	0.56	0.40	(0.02)
Expense recognized in the Statement of Other Comprehensive Income				
Due to change in financial assumption	0.61	-	-	-
Due to change in Experience adjustments	(0.19)	-	(0.21)	-
Net Expense recognized in OCI	0.42	-	(0.21)	-



Sensitivity Analysis

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

(Rs. In Lakhs)

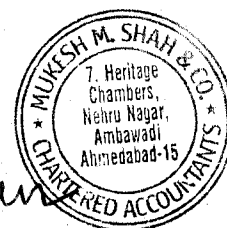
Particulars	2024-25		2023-24	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate 0.5%/-0.5%	(0.75)	0.82	(0.04)	0.05
Salary growth rate 0.5%/-0.5%	0.83	(0.76)	0.05	(0.04)
Withdrawal/Attrition Rate 10%/-10%	0.00	(0.00)	0.01	0.00
Leave salary				
Discount rate 0.5%/-0.5%	(0.34)	0.38	(0.00)	0.01
Salary growth rate 0.5%/-0.5%	0.38	(0.34)	0.01	(0.00)
Withdrawal/Attrition Rate 10%/-10%	0.02	(0.01)	0.01	0.00

The Maturity Profile of Defined Benefit Obligation

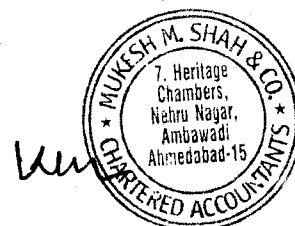
Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
The Weighted Average Duration (Years) as at valuation date	10.25 Years	13.76 Years	1.57 Years	1 Years

(Rs. In Lakhs)

Expected Future Cash Flows (Undiscounted)		2024-25		2023-24	
Particulars		Gratuity	Leave Salary	Gratuity	Leave Salary
Year 1 Cash flow		5.05	0.82	0.08	0.01
Year 2 Cash flow		0.23	0.15	4.27	0.67
Year 3 Cash flow		0.20	0.13	0.00	0.00
Year 4 Cash flow		0.22	0.14	0.00	0.00
Year 5 Cash flow		0.28	0.14	0.00	0.00
Year 6 to Year 10 Cash flow		1.66	0.79	0.03	0.00



HARSHA ENGINEERS ADVANTEK LIMITED						
Notes to the Financial Statements for the year ended March 31, 2025						
Note 29						
Related party disclosures						
As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified by the Company is as follows:						
A. Holding Company :-						
Name of Entity			Type of Relationship			
Harsha Engineers International Limited			Holding Company			
B. Fellow Subsidiaries/ Joint Venture :-						
Name of Entity			Type of Relationship			
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			
C. Director or Key Management Personnel ("KMP") :-						
Name		Type of Relationship				
Vishal Rangwala		Chairman & Whole-time Director of the Company				
Pilak Shah		Managing Director of the Company				
Rajendra Shah		Whole-time Director of the Company				
Harish Rangwala		Whole-time Director of the Company				
Hetal Naik ¹		Whole-time Director of the Company				
Maulik Jasani		Chief Financial Officer of the Company				
Kiran Mohanty		Company Secretary of the Company				
¹ Hetal Naik is appointed as Director of the Company with effect from May 14, 2024 and appointed as Whole time Director of the Company with effect from July 30, 2024.						
D. Enterprise on which Directors and KMP have significant influence and control :-						
AIA Engineering Limited			Common Directorship and Significant Influence			
E. Transactions during the year with related parties :-						
1. Holding Company/ Subsidiary Company / Joint Venture / Associate Company Transactions :-						(Rs. In Lakhs)
Particulars	Investment in Preference Share Capital by Holding Company		Purchase of Goods & License/ Job work/ Service/ Reimbursement		Purchase of Assets	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Engineers International Limited	6,000.00	7,000.00	104.20	37.30	-	121.74
(Rs. In Lakhs)						
Particulars	Loans Accepted		Loans Repaid		Interest Expense	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Engineers International Limited	900.00	375.00	900.00	375.00	7.64	5.15
(Rs. In Lakhs)						
Particulars	Corporate Guarantee Charges					
	2024-25	2023-24				
Harsha Engineers International Limited	27.65	-				
2. Enterprise on which Directors and KMP have significant influence and control Transactions :-						
(Rs. In Lakhs)						
Particulars	Sales of Goods					
	2024-25	2023-24				
AIA Engineering Limited	25.03	-				
F. Outstanding balance :-						
1. Holding Company/ Subsidiary Company / Joint Venture / Associate Company Outstanding :-						(Rs. In Lakhs)
Particulars	Other Payables					
	As at March 31, 2025	As at March 31, 2024				
Harsha Engineers International Limited	27.65	155.44				
2. Enterprise on which Directors and KMP have significant influence and control Outstanding						
Particulars	Other Receivables					
	As at March 31, 2025	As at March 31, 2024				
AIA Engineering Limited	4.41	-				



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2025

Note 30 Other Notes

30.1. 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
	March 31, 2025	March 31, 2024
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
(i) Letter of Credit/Corporate Guarantee/Stand by Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	338.80	1,533.70
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	67.68	-
(iii) 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)	4,856.46	6,619.56

30.2. 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.

30.3. 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 Holding 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 2025, revenue from operations of 3 customer of the Company represented approximately Rs.733.81 lakhs 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.

30.4. 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) 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.

5) The Company did not have any 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.

6) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

7) 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

8) (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.

9) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

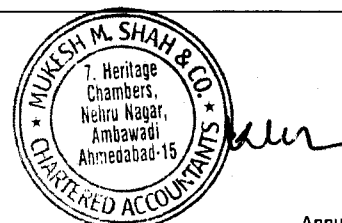
10) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

30.5. 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.

Audit trail has been preserved by the Company as per the statutory requirements for record retention.

30.6. 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 March 31, 2025

Note 31 Financial Ratio

Particulars	Numerator	Denominator	FY 24-25	FY 23-24	% Change
1) Current Ratio (Times) *	Current Assets	Current Liabilities	2.17	5.79	-63%
2) Debt-Equity Ratio (Times)	Total debt (current and non-current borrowings & lease liabilities)	Total equity	0.72	N.A.	N.A.
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)	-1.07	-13.76	-92%
4) Return on Equity Ratio (%) ***	Net profit attributable to Equity Share holders(PAT-Profit After Tax)	Average Equity	0.79%	-0.46%	-272%
5) Inventory turnover ratio (Times) #	Net Sales	Average Inventories	7.25	2.75	164%
6) Trade Receivables turnover ratio (Times) ##	Net Sales	Average Accounts Receivable	4.56	1.78	157%
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	4.50	3.83	17%
8) Net capital turnover ratio (Times) ###	Net Sales	Average Working Capital (Current Assets minus Current Liabilities)	0.50	0.15	228%
9) Net profit ratio (%) ^	Net profit (PAT-Profit After Tax)	Revenue from Operations	10.36%	-11.26%	-192%
10) Return on Capital employed (%) ^^	Profit before interest and tax	Average Capital Employed (Total Equity, Total Debt & Deferred Tax Liabilities)	0.86%	0.24%	266%
11) Return on investment (%)	Income from Investment	Average Fund Invested	7.09%	7.03%	1%

Reason for change more than 25% :

* **Current Ratio (Times)** : Decline due to Increase in Current Liabilities (mainly Payables for Capital Goods)

** **Debt Service Coverage Ratio (Times)** : Improve due to increase in Operating activity & Increase in Profit.

*** **Return on Equity Ratio (%)** : Improve due to increase in Operating activity & Increase in Profit

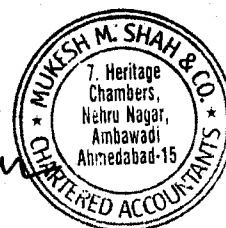
Inventory turnover ratio (Times) : Increase due to increase in Revenue & Operating activity.

Trade Receivables turnover ratio (Times) : Increase due to increase in Revenue & Operating activity.

Net capital turnover ratio (Times) : Increase due to increase in Revenue & Operating activity.

^ **Net profit ratio (%)** : Improve due to increase in Revenue, Operating activity & Increase in Profit.

^^ **Return on Capital Employed (%)** : Improve due to increase in Revenue, Operating activity & Increase in Profit.



HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2025

Note 32

A. Financial Instruments by Category and their Fair Value

(Rs. In Lakhs)

As at March 31, 2025	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								
Investments								
Quoted	-	-	1,002.96	1,002.96	-	-	-	-
Loans								
Non-Current	-	-	0.02	0.02	-	-	-	-
Current	-	-	0.93	0.93	-	-	-	-
Trade Receivables	-	-	175.88	175.88	-	-	-	-
Cash and Cash Equivalents	-	-	105.52	105.52	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	-	-	331.86	331.86	-	-	-	-
Other financial assets								
Non-Current	-	-	161.00	161.00	-	-	-	-
Current	-	-	38.91	38.91	-	-	-	-
Total financial assets	-	-	1,817.08	1,817.08	-	-	-	-
Financial liabilities								
Borrowings								
Non-current	-	-	9,371.53	9,371.53	-	-	-	-
Other financial liabilities								
Non-current	-	-	4.38	4.38	-	-	-	-
Current	-	-	885.83	885.83	-	-	-	-
Trade Payables	-	-	139.52	139.52	-	-	-	-
Total financial liabilities	-	-	10,401.26	10,401.26	-	-	-	-

As at March 31, 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								
Trade Receivables	-	-	160.94	160.94	-	-	-	-
Cash and Cash Equivalents	-	-	97.32	97.32	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	-	-	1,725.62	1,725.62	-	-	-	-
Other financial assets								
Non-Current	-	-	403.18	403.18	-	-	-	-
Current	-	-	16.37	16.37	-	-	-	-
Total financial assets	-	-	2,403.43	2,403.43	-	-	-	-
Financial liabilities								
Other financial liabilities								
Non-current	-	-	0.41	0.41	-	-	-	-
Current	-	-	251.33	251.33	-	-	-	-
Trade Payables	-	-	139.78	139.78	-	-	-	-
Total financial liabilities	-	-	391.52	391.52	-	-	-	-

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.

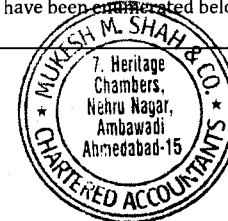
B. Financial risk management

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:

- Credit risk
- Liquidity risk
- 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 March 31, 2025

Trade receivables

The Company's exposure to credit risk is the exposure that Company has on account of goods & services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Age of Receivables:		(Rs. In Lakhs)	
Particulars	As at 31-Mar-25	As at 31-Mar-24	
Not Due	152.24	160.94	
Less than 6 Months	23.61	-	
6-12 Months	0.03	-	
1-2 Years	-	-	
2-3 Years	-	-	
More than 3 Years	-	-	
Total	175.88	160.94	

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables.

Other financial assets

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.

- Investments are made in credit worthy Asset Management Companies or Instruments.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2025	(Rs. In Lakhs) Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	9,371.53	9,371.53	-	9,371.53
Non current financial liabilities	4.38	4.38	-	4.38
Current financial liabilities	885.83	885.83	885.83	-
Trade and other payables	139.52	139.52	139.52	-
Total	10,401.26	10,401.26	1,025.35	9,375.91

As at March 31, 2024	(Rs. In Lakhs) Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current financial liabilities	0.41	0.41	-	0.41
Current financial liabilities	251.33	251.33	251.33	-
Trade and other payables	139.78	139.78	139.78	-
Total	391.52	391.52	391.11	0.41

(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.

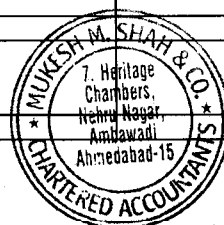
Currency risk

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, USD etc. 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 :

Particulars	(Rs. In Lakhs) As at	
	March 31, 2025	March 31, 2024
Outstanding Foreign Receivables(Including Loans, if any)		
- Receivable in USD	4,74,820	-
- Receivable in EUR	-	8,470
Equivalent Rs. In Lakhs (FEDAI rate considered)	405.85	7.61
Outstanding Foreign Payables (Including Loans, if any)		
- Receivable in USD	-	-
- Payable in EUR	-	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	-	-



HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2025

Foreign Currency Risk Sensitivity						(Rs. In Lakhs)	
Particulars	Movement (%)		Effect on PBT		Effect on equity net of tax		
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
USD Sensitivity							
INR/USD- Increased by	1.00	1.00	4.06	-	3.36	-	
INR/USD- Decreased by	1.00	1.00	(4.06)	-	(3.36)	-	
EUR Sensitivity							
INR/EUR- Increased by	1.00	1.00		0.08	-	0.07	
INR/EUR- Decreased by	1.00	1.00		(0.08)	-	(0.07)	

Interest rate risk :

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

Sensitivity

(Rs. In Lakhs)

A change of 50 bps in interest rates would have following impact on profit before tax.

Particulars	Movement - effect on Profit Before Tax	
	As at	
	March 31, 2025	March 31, 2024
50 bp increase-decrease in profits	47	-
50 bp decrease-increase in profits	(47)	-

C. 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
	March 31, 2025	March 31, 2024
Debt *	9,371.53	-
Total equity	13,073.29	6,994.07
Debt to total equity ratio	0.72:1 times	N.A.

*Debt includes Current and Non-current Borrowings & Lease liabilities.(including current maturities of long term debt)

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 32

As per our report of even date attached

For Mukesh M. Shah & Co.,

Chartered Accountants

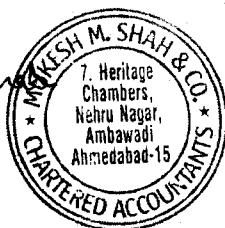
Firm Registration No. : 106625W

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

Maulik Jasani

Maulik Jasani

Chief Financial Officer

Date : May 06, 2025

Place : Ahmedabad

Pilak Shah

Pilak Shah

Managing Director

DIN: 00407960

Kiran Mohanty

Kiran Mohanty

Company Secretary

M. No.: F9907

Date : May 06, 2025

Place : Ahmedabad