Harsha Engineers Advantek Limited

4th Annual Report

FY-2025-26

Contents

BOARD OF DIRECTORS

Mr. Vishal Rangwala	-	Chairman & Whole-time Director
Mr. Pilak Shah	-	Managing Director
Mr. Rajendra Shah	-	Whole-time Director
Mr. Harish Rangwala	-	Whole-time Director
Ms. Hetal Naik	-	Whole-time Director

CHIEF FINANCIAL OFFICER

Mr. Maulik Jasani

COMPANY SECRETARY

Mr. Kiran Mohanty

AUDITORS

M/s Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad.

BANKERS

HDFC Bank Limited

REGISTERED/CORPORATE OFFICE

Sarkhej-Bavla Road, Changodar, Sanand,
Ahmedabad-382213, Gujarat, India.
Tel.: 91-2717-618200 Fax: 91-2717-618259
Email-Id: sec@harshaengineers.com
CIN: U28140GJ2023PLC139182

BHAYLA FACILITY

Survey No : 376 to 379, TA: Bavla,
Bhayla, Ahmedabad, Gujarat, 382220

To,

The Members,

The Board of Directors is pleased to present the 4th Annual Report together with the Audited Financial Statements of Harsha Engineers Advantek Limited ("the Company) for the financial year ("year") ended March 31, 2026.

FINANCIAL RESULTS

The Audited Financial Statements of the Company as on March 31, 2026 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013 ("the Act").

The performance of the Company during the financial year ended on March 31, 2026 has been as under:

(₹ in lakhs)

Particulars	2025-26	2024-25
Revenue from Operations	4319.40	768.11
Profit/(Loss) Before Depreciation and Tax	(572.10)	179.26
Less: Depreciation & Amortization Expenses	803.32	61.96
Profit/(Loss) Before Tax	**(1375.42)**	**117.30**
Provision for Taxation:	-	-
Less: Current Tax #	55.38	33.31
Less: Deferred Tax	(272.56)	4.42
Profit/(Loss) After Tax	**(1158.24)**	**79.57**
Add: Other Comprehensive Income	14.50	(0.35)
Total Comprehensive Income	**(1143.74)**	**79.22**

Current tax for FY 2025-26 primarily represents tax on interest income, capital gains and other non-business income taxable under Section 115BAB of the Income-tax Act, 1961.

PERFORMANCE AND OPERATION OVERVIEW

During the year under review, the Company recorded Revenue from Operations of ₹ 4,319.40 lakhs as against ₹ 768.11 lakhs in the previous financial year, registering a growth of 462.34%.

The Company reported a Loss Before Tax of ₹ 1,375.42 lakhs for the financial year ended March 31, 2026 as against a Profit Before Tax of ₹ 117.30 lakhs in the previous financial year.

After accounting for tax adjustments, the Company reported a Loss After Tax of ₹ 1,158.24 lakhs as against a Profit After Tax of ₹ 79.57 lakhs in the previous financial year.

The Total Comprehensive Loss for the year stood at ₹ 1,143.74 lakhs as compared to Total Comprehensive Income of ₹ 79.22 lakhs in the previous financial year.

The Company reported a loss during the year, primarily due to interest costs and depreciation associated with the capex and expenses related to plant commercialization.

Basic earnings per share (EPS) for the financial year ended March 31, 2026 is (₹ 1158.24) as against ₹ 79.57 in the previous financial year.

Diluted earnings per share (EPS) for the financial year ended March 31, 2026 is (₹ 0.80) as against ₹ 0.07 in the previous financial year.

SIGNIFICANT ACTIVITIES IN FINANCIAL YEAR 2025-26

During the year under review, the Company made **a strategic capital investment amounting to ₹278.70 crores** and commenced commercial production and invoicing at its newly established manufacturing facility situated at Survey No : 376 to 379, TA: Bavla, Bhayla, Ahmedabad, Gujarat, 382220, with effect from June 26, 2025.

The Company also achieved a key milestone with the inauguration of the Stamping, Bushings & **LSB Steel Cage Facility** at the Bhayla plant, marking an important step in its growth and innovation journey.

DIVIDEND

The Board has not recommended dividend on equity shares for the financial year ended on March 31, 2026.

DEPOSIT

During the year the Company has not accepted deposits under the provisions of the Act.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

TRANSFER TO RESERVES

As permitted under the provisions of the Act, the Board does not propose to transfer any amount to general reserve for the financial year ended on March 31, 2026.

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

As of March 31, 2026, the Company does not have any subsidiaries, joint ventures, or associate companies. The Company is a wholly-owned subsidiary of Harsha Engineers International Limited, with details as follows:

Sl. No.	Name & Address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate/ Joint Venture
1	Harsha Engineers International Limited	L29307GJ2010PLC063233	Holding Company

	Sarkhej-Bavla Road, Changodar, Ahmedabad, Sanand-382213, Gujarat, India.		

SHARE CAPITAL

As of March 31, 2026, the Authorised Share Capital of your Company stood at ₹ 1,50,10,00,000 divided into 1,00,000 equity shares of ₹ 10 each; 15,00,00,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each. As of March 31, 2026 the Issued Share Capital of your Company is ₹ 1,50,10,00,000 divided into 1,00,000 equity shares of ₹ 10 each and 15,00,00,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each and the Subscribed and Paid-up capital is ₹ 1,50,10,00,000 divided into 1,00,000 equity shares of ₹ 10 each fully paid up and 15,00,00,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up.

DIRECTORS

In accordance with the provisions of Section 152 of Companies Act, 2013 read with provisions of the Articles of Association of the Company, Ms. Hetal Naik (DIN: 01990172), Whole-time Director and Mr. Harish Rangwala (DIN: 00278062), Whole-time Director of the Company liable to retire by rotation at the ensuing Annual General Meeting, being eligible for re-appointment and offer themselves for the same. A brief resume and particulars relating to them are given separately under the **Annexure-A**.

During the financial year under review, there was no change in the composition of the Board of Directors of the Company.

Since the Company does not fall within the category mentioned in Section 149(4) of the Companies Act, 2013 read with the rules made thereunder requiring the appointment of Independent Directors, a statement in this Report relating to declaration by Independent Director under sub-section (6) of Section 149 of the Companies Act, 2013 is not applicable to the Company.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as the Key Managerial Personnel ("KMP") of the Company as on March 31, 2026.

Sr. No.	Name of KMP	Designation
1	Mr. Vishal Rangwala	Chairman & Whole-time Director
2	Mr. Pilak Shah	Managing Director
3	Mr. Rajendra Shah	Whole-time Director
4	Mr. Harish Rangwala	Whole-time Director
5	Ms. Hetal Naik	Whole-time Director
6	Mr. Maulik Jasani	Chief Financial Officer
7	Mr. Kiran Mohanty	Company Secretary

During the financial year under review, there was no change in the KMP of the Company.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 10 times during the financial year 2025-26. The Board Meetings were held as per Section 173 of the Act with all the relevant rules and regulations related to that and also Secretarial Standard -1 (Board Meeting) is duly complied with. The dates on which the meetings were held are as follows:

No. of Board Meeting Held	Date of Board Meeting	Name of Directors who attended the Meetings
1	April 4, 2025	All the Directors were present
2	May 6, 2025	All the Directors were present
3	May 29, 2025	All the Directors were present
4	June 10, 2025	All the Directors were present
5	July 28, 2025	All the Directors were present
6	August 6, 2025	All the Directors were present
7	September 30, 2025	All the Directors were present
8	November 4, 2025	All the Directors were present except Mr. Pilak Shah
9	November 12,2025	All the Directors were present
10	February 2, 2026	All the Directors were present

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year 2025-26 were on an arm's length basis and were in the ordinary course of business and are in compliance with the applicable provisions of the Act. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Board on a quarterly basis, specifying the nature, value, terms and conditions of the transactions.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2026 in the prescribed Form no. MGT-7 is available on the Company's website at https://www.harshaengineers.com/InvestorRelations/financial-information.php .

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance and the directors individually pursuant to the provisions of the Companies Act, 2013.

DISCLOSURE UNDER SECTION 67(3)(C) OF THE COMPANIES ACT, 2013

No disclosure is required under Section 67(3)(c) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the same period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis; and

e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor
M/s Mukesh M. Shah & Co., Chartered Accountants (FRN:106625W), was appointed as Statutory Auditor of the Company for a period of five consecutive years from the conclusion of 1st Annual General Meeting until the conclusion of the 6th Annual General Meeting of the Company with such remuneration as may be decided by Board of Directors.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Secretarial Auditor
M/s. Chirag Shah & Associates, Company Secretaries were appointed as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year ending March 31, 2026.

According to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is enclosed as a part of this Board's Report as an **ANNEXURE-B.**

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

Cost Auditor
During the financial year, the Company was not fall within the class of Companies as mentioned in Section 148 of the Act read with the applicable rules made thereunder relating to Cost Audit Report. Hence, the Company has not appointed any Cost Auditor in Practice as Cost Auditor.

Internal Auditor
M/s Sharp Tannan Associates, Chartered Accountants (FRN:109983W) and M/s Talati & Talati LLP, Chartered Accountants (FRN:110758W) were appointed as the Internal Auditors of the Company for the purpose of carrying out Functional Audit and Pre-Audit Transaction Audit respectively for the financial year ending March 31, 2026. The Board of Directors of the Company in consultation with the Internal Auditors formulated the scope, functioning, periodicity and methodology for conducting an Internal Audit.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India read with the MCA Circulars issued from time to time.

INSURANCE

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

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

Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is disclosed in the **ANNEXURE - C** to this Board's report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The provisions of Section 135 of the Act read with the relevant rules are not applicable to the Company and therefore, the Company has not required to adopt the CSR Policy or constitute CSR Committee during the year under review.

PARTICULARS OF EMPLOYEES

The list of top 10 employees in terms of remuneration drawn and the statement containing particulars of employees employed throughout the year and in receipt of remuneration of ₹ 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of ₹ 8.5 lakh or more per month, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company are disclosed in the **Annexure-D** to this Report.

RISK MANAGEMENT FRAMEWORK

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

The Company has a Risk Management Policy consistent with the provisions of the Act. The Company has laid down procedures to inform the Board of Directors about risk assessment and related procedures and status.

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

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

The Company has a 'Prevention of Sexual Harassment' (POSH) policy which is in line with the statutory requirement. The Company has put in place a structured reporting and redressal mechanism. The POSH policy is communicated to all employees of the Company. During the financial year 2025-26, no complaints in respect of the same have been received by the Company.

Number of complaints filed during the financial year 2025-26	Nil
Number of complaints disposed of during the financial year 2025-26	Nil
Number of complaints pending as on end of the financial year 2025-26	Nil

VIGIL MECHANISM / WHISTLE BLOWER

Your Company has formulated a Whistle Blower Policy to establish a vigil mechanism for directors and employees of the Company to report the concerns about unethical behavior, actual or suspected fraud or violation of the policy since the provisions of Section 177 of the Act read with the rules made there under are applicable to the Company.

INTERNAL FINANCIAL CONTROLS

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

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

NOTES TO ACCOUNTS

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

ACKNOWLEDGEMENT

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

May 5, 2026

Registered Office:
Sarkhej-Bavla Road, Changodar, Sanand,
Ahmedabad-382213, Gujarat, India.
Tel.: 91-2717-618200
Email-Id: sec@harshaengineers.com
CIN: U28140GJ2023PLC139182

By Order of Board of Directors

Vishal Rangwala
Chairman & Whole-time Director
DIN:02452416

ANNEXURE- A

PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT AT 4TH ANNUAL GENERAL MEETING

Name	Ms. Hetal Naik
Father Name	Mr. Rajendra Shah
Date of Birth	July 11, 1975
Director Identification Number	01990172
Qualification	• Bachelor's degree in Mechanical Engineering • Master of Technology in Mechanical Engineering with specialization in Design Engineering
Occupation	Business
Association	Appointed as director in the Company w.e.f. May 14, 2024
Designation	Whole-time Director
Shareholding in the Company	-
Directorship	Harsha Engineers International Limited
	Meghna Organisers Private Limited
Disclosure of relationships between directors and KMP inter-se	Ms. Hetal Naik is daughter of Mr. Rajendra Shah, Whole-time Director and sister of Mr. Pilak Shah, Managing Director

Name	Mr. Harish Rangwala
Father Name	Late Mr. Ranjit Rangwala
Date of Birth	August 1, 1948
Director Identification Number	00278062
Qualification	Bachelor's degree in Mechanical Engineering
Occupation	Business
Association	Appointed as director in the Company w.e.f. March 14, 2023
Designation	Whole-time Director
Shareholding in the Company	-
Directorship	Harsha Engineers International Limited
	Day Light Solar Private Limited
	First Light Solar Private Limited
Disclosure of relationships between directors and KMP inter-se	Mr. Harish Rangwala is the father of Mr. Vishal Rangwala, Chairman & Whole-time Director.

By Order of Board of Directors
For Harsha Engineers Advantek Limited

Vishal Rangwala
Chairman & Whole-time Director
DIN:02452416
May 5, 2026

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2026

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

To,
The Members,
HARSHA ENGINEERS ADVANTEK LIMITED
Sarkhej - Bavla Road, Changodar,
Ahmedabad, Sanand, Gujarat, India, 382213

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARSHA ENGINEERS ADVANTEK LIMITED (CIN: U28140GJ2023PLC139182)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with.the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i). The Companies Act, 2013 (the Act) and the rules made there under;

(ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made Thereunder;

(iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable to the company during the Audit period**

(iv). Foreign Exchange Management Act, 1999 and the rules and regulations made Thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: -**Not Applicable to the company during the Audit period;**

(v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - **Not Applicable to the company during the Audit period**;

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India;

b. The Listing Agreements entered into by the Company with Stock Exchange(s):-
Not Applicable to the company during the Audit period.

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company has passed following Special Resolutions:

1. To Issue Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) upto Rs. 10 crores on right basis to the existing shareholders of the company vide Extra Ordinary General Meeting of the Company held on 2nd June, 2025.
2. To Issue Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) upto Rs. 10 crores on right basis to the existing shareholders of the company vide Extra Ordinary General Meeting of the Company held on 30th July, 2025.

CHIRAG SHAH & ASSOCIATES C.P. 17554 COMPANY SECRETARIES

Place: Ahmedabad
Date: 05/05/2026

CS Raimeen Maradiya
Partner
Membership No. FCS 11283
C P No. 17554
UDIN: F011283H000281575
Peer review no.: 6543/2025

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

'Annexure A'

To,
The Members
HARSHA ENGINEERS ADVANTEK LIMITED

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Disclaimer

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

Place: Ahmedabad
Date: 05/05/2026

CHIRAG SHAH & ASSOCIATES
C.P.17554
COMPANY SECRETARIES

CS Raimeen Maradiya
Partner
Membership No. FCS 11283
C P No. 17554
UDIN: F011283H000281575
Peer review no.: 6543/2025

ANNEXURE - C

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

Information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as per Section 134 of the Act read with the Companies (Accounts) Rules, 2014 are provided hereunder:

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

1. Steps taken or impact on conservation of energy

The Company, being in the initial phase of its operations, has embedded energy-efficient practices in the design and operation of its plant and office infrastructure. During the financial year under review, the Company undertook/continued various measures for conservation of energy, including the following:

- **Installation of LED Lighting**: Energy-efficient LED lights have been installed throughout the plant premises, including street lights, Shop floor and office areas, thereby reducing overall electricity consumption.
- **Installation of insulated ducting for air compressor exhaust**, resulting in better energy management and reduction of energy loss.
- **Utilisation of STP-treated water in HVAC cooling tower top-up**, which supports efficient resource utilisation and reduces dependence on fresh water.
- **Utilization of Natural Sunlight**:

  Skylights have been fixed on the plant roof to allow maximum natural daylight inside the manufacturing area, reducing dependency on artificial lighting during daytime.

  Fixed Glass Windows have been installed on the plant walls to enhance natural illumination, contributing to energy savings.

  Electric Material Handling Equipment: The Company has deployed electric forklifts and stackers for internal material movement.

- **Energy-efficient Office Cooling**: A centralized **Variable Refrigerant Volume (VRV)** air-conditioning system has been installed in the office area, offering precise temperature control and significantly lower energy consumption.

Although the plant is newly operational, these initiatives are expected to result in long-term energy savings, reduced operational costs, and a lower carbon footprint. The Company remains committed to adopting sustainable and energy-efficient practices as it scales operations.

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

As a newly established Company, we are currently in the early stages of development and have not yet initiated any specific measures for utilising alternate source of energy.

3. Capital investment on energy conservation equipment's

Nil

B. Form for disclosure of particulars with respect to absorption

I. Technology, absorption, adaptation and innovation

1. **Efforts in brief made towards technology adaptation and innovation:**
   Products and processes developed through in-house activities have been internally absorbed by the manufacturing units for commercialization.

2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.**
   The efforts made by design and automation activities helped for the augmentation of Company's product range in targeted market segments leading the customer acquisition/retention, increased the competitiveness and customer satisfaction and helped to give an edge over other competitors.

C. Foreign Exchange Earning and Outgo

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

   As a newly established company, we are currently in the early stages of development and have not yet initiated any specific measures to increase exports, develop new export markets for our products and services, or formulate comprehensive export plans.

2. **Foreign Exchange earned and used**
   During the financial year, the Company experienced an inflow of ₹ 112.28 lakhs and an outflow of ₹ 671.39 lakhs in foreign exchange transactions.

By Order of Board of Directors

Vishal Rangwala
Chairman & Whole-time Director
DIN:02452416
May 5, 2026

ANNEXURE - D

PARTICULARS OF EMPLOYEE

Pursuant to Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing particulars of employees employed throughout the year and in receipt of remuneration of ₹ 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of ₹ 8.5 lakh or more per month and Top 10 employees in terms of remuneration drawn during the year:

Sr No.	Employee name	Designation	Education qualification	Age	Experience (in years)	Date of joining	Nature of Employment	Remuneration in fiscal 2026	Previous employment	Whether Relative of Director?
1	Ajaipal Singh Tomar	Sr. General Manager	PGDBM, B.Tech, DME	59	38	01-04-2025	Fix Term Employment	6,299,993	Harsha Engineers International Limited	No
2	Bhim Singh Panchal	Vice President	B.E. , MBA	47	18	27-10-2025	Permanent	34,96,779	Hettich India Pvt.Ltd.	No
3	Ashok kumar Patel	Sr. Manager	B.Tech.[Ele.], DME, MPEE, PGDOM, PGDIM	59	33	20-01-2025	Fix Term Employment	3,191,657	Harsha Engineers International Limited	No
4	Prakashbhai Raval	Sr. Manager	Diploma Electrical	55	29	01-06-2025	Permanent	2,597,617	Harsha Engineers International Limited	No
5	Vikram Dadwal	Sr. Manager	B.E.	46	21	01-04-2024	Permanent	2,428,743	Harsha Engineers International Limited	No
6	Boggarapu Dixit Kumar	Manager	Diploma T & D Making	37	19	01-06-2025	Permanent	1,792,931	Harsha Engineers International Limited	No
7	Jigar Patel	Manager	BA, LLB, MHRM	44	13	01-04-2024	Permanent	1,709,593	Harsha Engineers International Limited	No
8	Pankaj Sharma	Dy. Manager	B.Tech. [Mechanical], DME	32	9	01-02-2024	Permanent	1,361,187	Raicam Automotive Pvt. Limited.	No

9	Chirag Vyas	Dy. Manager	Diploma TDM	41	19	01-06-2025	Permanent	1,060,516	Harsha Engineers International Limited	No
10	Bholanath Yadav	Dy. Manager	SSC	54	31	01-10-2025	Permanent	948,523	Harsha Engineers International Limited	No

Note

The remuneration in the above table is given on accrual basis.

By Order of Board of Directors

Vishal Rangwala
Chairman & Whole-time Director
DIN:02452416
May 5, 2026

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 2026, 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, 2026, and its Loss, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

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

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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

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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, 2026 taken on record by the Board of Directors, none of the directors, is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" attached to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the company to its directors during the year.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

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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 31st March 2026 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 accounting 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.

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Karnik K. Shah

Karnik K. Shah
Partner
Membership No.: 129675

Place: Ahmedabad
Date: May 05, 2026
UDIN: 26129675QMAXFH7377

"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, 2026.

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 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, capital work in progress and right of use assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work in progress and right of use assets at reasonable intervals having regard to the size of the company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment 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, 2026 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.

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(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) 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, accordingly, reporting under this clause of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act 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 or 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. 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 arears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) There are no dues referred to in sub clause (a) above which have been under dispute as on 31st March, 2026.

(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 the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
(c) The term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained;
(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.
(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, joint venture and associate companies.

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(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures 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 and up to the date of this report.

(c) As represented to us by the Management, there is no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi company. Accordingly, reporting under this clause 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, 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 this clause of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, we report that

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934;
(b) The Company has not conducted any non-banking or housing finance activities during the year;
(c) The Company is not a Core Investment Company, as defined in the regulations made by the Reserve Bank of India;
(d) The Group does not have Core Investment Company as part of the Group.

(xvii) The company has incurred cash losses of Rs. 627.48 Lakhs during the current year. However, the company has not incurred cash loss 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

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examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) On the basis of information and explanations given to us and based on the examination of the records of the company, the provisions of Corporate Social Responsibility ("CSR") of the Act is not applicable to the company. Accordingly, reporting under clause 3(XX) of the Order is not applicable for the year.

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Karnik K. Shah

Place: Ahmedabad
Date: May 05, 2026
UDIN: 26129675QMAXFH7377

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, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

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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, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Karnik K. Shah

Place: Ahmedabad
Date: May 05, 2026
UDIN: 26129675QMAXFH7377

Karnik K. Shah
Partner
Membership No.: 129675

HARSHA ENGINEERS ADVANTEK LIMITED
Balance Sheet as at March 31, 2026

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	25,967.32	4,263.59
(b) Capital Work-In-Progress	2	1,027.35	12,901.55
(c) Other Intangible Assets	2	9.86	13.12
(d) Financial Assets			
Investments	3	1,002.96	1,002.96
Loans	4	1.01	0.02
Other Financial Assets	5	13.80	161.00
(e) Non-Current Tax Assets [Net]	6	21.58	-
(f) Deferred Tax Assets (Net)	7	262.97	-
(g) Other Non-Current Assets	8	383.34	2,891.54
Total Non-Current Assets		**28,690.19**	**21,233.78**
Current Assets			
(a) Inventories	9	3,052.67	107.63
(b) Financial Assets			
Investments	3	1,509.99	-
Trade Receivables	10	1,611.79	175.88
Cash and Cash Equivalents	11	702.15	105.52
Bank Balances other than Cash and Cash Equivalent	11	135.80	331.86
Loans	4	2.91	0.93
Other Financial Assets	5	65.78	38.91
(c) Other Current Assets	8	3,286.85	1,537.50
Total Current Assets		**10,367.94**	**2,298.23**
TOTAL ASSETS		**39,058.13**	**23,532.01**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	15,010.00	13,010.00
(b) Other Equity	13	(1,080.45)	63.29
Total Equity		**13,929.55**	**13,073.29**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	14	20,022.07	9,371.53
Other Financial Liabilities	18	14.44	4.38
(b) Provisions	15	109.43	15.24
(c) Deferred Tax Liabilities (Net)	16	-	6.59
Total Non-Current Liabilities		**20,145.94**	**9,397.74**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	14	2,663.68	-
Trade Payables	17		
-Dues to Micro & Small Enterprises		94.71	16.89
-Dues to other than Micro & Small Enterprises		674.89	130.84
Other Financial Liabilities	18	1462.93	877.62
(b) Other Current Liabilities	19	80.50	27.40
(c) Provisions	15	5.93	5.87
(d) Current Tax Liabilities [Net]	20	-	2.36
Total Current Liabilities		**4,982.64**	**1,060.98**
Total Liabilities		**25,128.58**	**10,458.72**
TOTAL EQUITY AND LIABILITIES		**39,058.13**	**23,532.01**
Material Accounting Policies	1		
Notes to Financial Statements	1 to 34		

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

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15

Date : May 05, 2026
Place : Ahmedabad

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

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Pilak Shah
Managing Director
DIN: 00407960

Maulik Jasani
Chief Financial Officer
Date : May 05, 2026
Place : Ahmedabad

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Profit and Loss for the year ended March 31, 2026

(Rs. In Lakhs)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from Operations	21	4,319.40	768.11
Other Income	22	257.16	161.95
Total Income (A)		**4,576.56**	**930.06**
EXPENSES			
Cost of Materials Consumed	23	3,389.36	348.58
Change In Inventories of Finished Goods & Work-In-Progress	24	(1,522.78)	(14.06)
Employee Benefits Expenses	25	949.32	126.09
Finance Costs	26	1,001.15	9.85
Depreciation and Amortization Expenses	2	803.32	61.96
Other Expenses	27	1,331.61	280.34
Total Expenses (B)		**5,951.98**	**812.76**
Profit/ (Loss) Before Tax (C)=(A-B)		**(1,375.42)**	**117.30**
Tax Expense			
Current Tax	29	55.38	33.31
Deferred Tax	29	(272.56)	4.42
Total Tax Expense (D)		**(217.18)**	**37.73**
Profit/ (Loss) After Tax for the year (E)=(C-D)		**(1,158.24)**	**79.57**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	30	17.51	(0.42)
Income tax relating to these items	29	(3.01)	0.07
Other Comprehensive Income for the year, net of tax (F)		**14.50**	**(0.35)**
Total Comprehensive Income for the year (E+F)		**(1,143.74)**	**79.22**
Earning Per Equity Share (EPS) for the year	28		
Basic (Rs.)		(1,158.24)	79.57
Diluted (Rs.)		(0.80)	0.07
Material Accounting Policies	1		
Notes to Financial Statements	1 to 34		

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

Karnik M. Shah

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

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HARSHA ENGINEERS ADVANTEK LIMITED

Cash flow Statement for the year ended March 31, 2026

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) Before Tax as per statement of profit and loss	**(1,375.42)**	**117.30**
Adjustments for:		
Depreciation and Amortization Expenses	803.32	61.96
Interest Income	(166.53)	(55.47)
Finance Cost	1,001.15	9.85
Loss/(Profit) on Sale of Current Investment	(51.36)	(45.99)
Operating Profit before Working Capital Changes	**211.16**	**87.65**
Adjustments for Changes in Working Capital		
Inventories	(2,945.04)	(3.49)
Trade Receivables	(1,435.89)	(14.94)
Loans	(2.97)	-0.95
Other Financial Assets	118.69	250.63
Other Current Assets	(1,467.57)	(1,373.56)
Trade Payables	340.09	8.45
Other Financial Liabilities	69.11	83.22
Other Current Liabilities	53.08	15.08
Provisions	111.75	16.45
Cash Generated from Operations	**(4,947.59)**	**(931.46)**
Income Taxes Paid	(79.32)	(39.02)
Net Cash Flow from Operating Activities (A)	**(5,026.91)**	**(970.48)**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment, Capital Work-In-Progress and Other Intangibles	(7,666.25)	(14,844.27)
Interest Income	154.36	49.48
Sale /(Purchase) of Non-Current Investments	-	(1,002.96)
Sale /(Purchase) of Current Investments (Net)	(1,458.63)	45.99
(Increase) / Decrease in fixed deposits with bank (Net)	209.87	1,368.76
Net Cash Flow from Investing Activities (B)	**(8,760.65)**	**(14,383.00)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Preference shares	2,000.00	6,000.00
Proceeds from Non-Current Borrowings	10,650.54	9,371.53
Proceeds / (Repayment) of Current Borrowings (Net)	2,663.68	-
Finance Cost	(930.03)	(9.85)
Net Cash Flow from Financing Activities (C)	**14,384.19**	**15,361.68**
(D) Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	596.63	8.20
Cash and Cash Equivalents at the Beginning		
Cash on Hand	0.30	0.42
Balances with Banks	105.22	96.90
	105.52	**97.32**
Cash and Cash Equivalents at the End		
Cash on Hand	0.42	0.30
Balances with Banks	701.73	105.22
	702.15	**105.52**
Notes to Financial Statements 1 to 34		

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Date : May 05, 2026
Place : Ahmedabad

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

Vishal Rangwala
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DIN: 02452416

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Maulik Jasani
Chief Financial Officer
Date : May 05, 2026
Place : Ahmedabad

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED
Statement of Changes In Equity (SOCIE) for the year ended March 31, 2026

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 April 01, 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**
Add : Shares issued during the year	-	-	2,00,00,000	2,000.00
As at March 31, 2026	**1,00,000**	**10.00**	**15,00,00,000**	**15,000.00**

*Refer Note 12

B. Other Equity **

Particulars	Reserve & Surplus	Total Other Equity
	Retained Earnings	
As at April 01, 2024	**(15.93)**	**(15.93)**
Profit/(Loss) during 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**
Profit/(Loss) during the year	(1,158.24)	(1,158.24)
Other comprehensive income for the year (Net of Tax)	14.50	14.50
Total Comprehensive Income for the year	**(1,080.45)**	**(1,080.45)**
As at March 31, 2026	**(1,080.45)**	**(1,080.45)**

**Refer Note 13

Nature and purpose of reserves :

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

Notes to Financial Statements 1 to 34

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Date : May 05, 2026
Place : Ahmedabad

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

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Pilak Shah
Managing Director
DIN: 00407960

Maulik Jasani
Chief Financial Officer
Date : May 05, 2026
Place : Ahmedabad

Kiran Mohanty
Company Secretary
M. No.: F9907

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

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 5, 2026.

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. . The amount "0" (zero) represents value, which is less than Rs. 1 thousand.

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.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

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.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

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.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

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.

MUKESH M. SHAH & CO.
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15
CHARTERED ACCOUNTANTS

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.

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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.

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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.

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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 existing standards under the Companies [Indian Accounting Standards] Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements [classification of liabilities as Current or Non-current, including liabilities with covenants], Ind AS 12 – Income Taxes [International Tax Reform – Pillar Two Model Rules], Ind AS 21 – The Effects of Changes in Foreign Exchange Rates [Lack of Exchangeability] and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures [Supplier Finance Arrangements], effective from April 1, 2025. The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any material impact on the Company's financial statements.

New standards or amendments not yet adopted:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1. The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8. These amendments are effective for reporting periods beginning on or after April 1, 2026. The Company does not expect any material impact on its financial statements.

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Notes to the Financial Statements for the year ended March 31, 2026

Note : 2 Property, Plant & Equipment
For the year ended March 31, 2026

(Rs. In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 01, 2025	Addition during the year	Disposal/ Adjustment	As at March 31, 2026	As at April 01, 2025	For the year	Disposal/ Adjustment	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Property, Plant & Equipment										
Freehold Land	3,642.39	37.43	-	3,679.82	-	-	-	-	3,679.82	3,642.39
Buildings	-	8,431.64	-	8,431.64	-	147.04	-	147.04	8,284.60	-
Plant And Machineries	670.14	11,816.33	-	12,486.47	61.71	531.10	-	592.81	11,893.66	608.43
Furniture And Fittings	0.65	328.32	-	328.97	0.06	7.36	-	7.42	321.55	0.59
Office Equipments	-	272.43	-	272.43	-	7.87	-	7.87	264.56	-
Vehicles	-	8.13	-	8.13	-	0.85	-	0.85	7.28	-
Electric Installation	13.27	1,491.00	-	1,504.27	1.16	103.88	-	105.04	1,399.23	12.11
Computer & Peripherals	0.11	118.32	-	118.43	0.04	1.77	-	1.81	116.62	0.07
TOTAL (A)	**4,326.56**	**22,503.60**	**-**	**26,830.16**	**62.97**	**799.87**	**-**	**862.84**	**25,967.32**	**4,263.59**
Other Intangible Assets										
Computer software	17.20	0.19	-	17.39	4.08	3.45	-	7.53	9.86	13.12
TOTAL (B)	**17.20**	**0.19**	**-**	**17.39**	**4.08**	**3.45**	**-**	**7.53**	**9.86**	**13.12**
TOTAL (A+B)	**4,343.76**	**22,503.79**	**-**	**26,847.55**	**67.05**	**803.32**	**-**	**870.37**	**25,977.18**	**4,276.71**

Capital Work-in-progress aging schedule as at March 31, 2026

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	1,020.56	6.79	-	-	1,027.35
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, 2025

(Rs. In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 01, 2024	Addition during the year	Disposal/ Adjustment	As at March 31, 2025	As at April 01, 2024	For the year	Disposal/ Adjustment	As at March 31, 2025	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
Buildings	-	-	-	-	-	-	-	-	-	-
Plant And Machineries	335.76	334.38	-	670.14	4.44	57.27	-	61.71	608.43	331.32
Furniture And Fittings	0.65	-	-	0.65	-	0.06	-	0.06	0.59	0.65
Electric Installation	11.17	2.10	-	13.27	0.01	1.15	-	1.16	12.11	11.16
Computer & Peripherals	0.11	-	-	0.11	-	0.04	-	0.04	0.07	0.11
TOTAL (A)	**2,941.08**	**1,385.48**	**-**	**4,326.56**	**4.45**	**58.52**	**-**	**62.97**	**4,263.59**	**2,936.63**
Other Intangible Assets										
Computer software	17.20	-	-	17.20	0.64	3.44	-	4.08	13.12	16.56
TOTAL (B)	**17.20**	**-**	**-**	**17.20**	**0.64**	**3.44**	**-**	**4.08**	**13.12**	**16.56**
TOTAL (A+B)	**2,958.28**	**1,385.48**	**-**	**4,343.76**	**5.09**	**61.96**	**-**	**67.05**	**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 : 1. The company has not revalued any property, plant & equipment & intangible asset.
2. The title deeds of all the immovable properties are held in the name of the Company.
3. Refer Note 32.1(b) for Capital Contractual Commitments with respect to property, plant and equipments.

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HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2026

Note 3
Investments (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
A) Investments - Others		
Measured at Amortised cost		
Investments in Bonds (Quoted)	1,002.96	1,002.96
Total Non-Current Investments	**1,002.96**	**1,002.96**
Current		
A) Investments - Others		
Measured at Amortised cost		
Investments in Bonds (Quoted)	506.62	-
Measured at FVTPL		
Investments in Mutual Funds (Quoted)	1,003.37	-
Total Current Investments	**1,509.99**	**-**
i Aggregate book value of quoted investments	2,512.95	1,002.96
ii Aggregate market value of quoted investments	2,508.02	1,001.60

Note 4
Loans (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
(Unsecured, Considered Good)		
Loans to Employees #	1.01	0.02
Total Non - Current Loans	**1.01**	**0.02**
Current		
(Unsecured, Considered Good)		
Loan & Advances to Employees #	2.91	0.93
Total Current Loans	**2.91**	**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, 2026	As at March 31, 2025
Non-Current		
Security Deposits (Unsecured, Considered Good)	2.61	136.00
Fixed deposits with maturity more than 12 months #	11.19	25.00
Total Other Non-Current Financial Assets	**13.80**	**161.00**
Current		
Export Benefits Receivables	31.25	16.55
Interest Income Receivable	34.53	22.36
Total Other Current Financial Assets	**65.78**	**38.91**

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

Note 6
Tax Assets [Net] (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Advance Payment of Tax (Net of Provisions of Rs. 87.42 Lakhs)	21.58	-
Total Other Tax Assets [Net]	**21.58**	**-**

Note 7
Deferred Tax Assets (Net) -

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets, Refer Note : 29	513.32	-
Less : Deferred Tax Liability, Refer Note : 29	(250.35)	-
Deferred Tax Assets (Net)	**262.97**	**-**

Note 8
Other Assets (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Capital Advances (Unsecured, Considered Good)	383.34	2,891.54
Total Other Non-Current Assets	**383.34**	**2,891.54**
Current		
(Unsecured, Considered Good)		
Balances With Statutory Authorities	2,995.87	1,535.50
Prepaid Expenses	8.52	1.32
Advances To Suppliers	282.46	0.68
Total Other Current Assets	**3,286.85**	**1,537.50**

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HARSHA ENGINEERS ADVANTEK LIMITED
Notes to the Financial Statements for the year ended March 31, 2026

Note 9
Inventories **(Rs. In Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Material	1,272.29	9.21
Work-In-Progress	239.84	44.72
Finished Goods	1,173.85	30.71
Stores, Spares & Other	169.99	10.81
Toolings	196.70	12.18
Total Inventories	**3,052.67**	**107.63**

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 14

Note 10
Trade Receivables **(Rs. In Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured Trade Receivables		
Considered Good	1,611.79	175.88
Sub Total #	**1,611.79**	**175.88**
Less: Allowances for credit losses	-	-
Total Trade Receivables #	**1,611.79**	**175.88**

The credit period on sale of goods is up to 90 days.
Trade receivables are hypothecated to secured term loan & working capital facilities from banks -Refer Note 14

Ageing of Trade Receivables (Rs. In Lakhs)

Particulars	Unbilled Due	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, 2026								
Undisputed -Considered Good	-	1,581.75	30.04	-	-	-	-	1,611.79
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	-	**1,581.75**	**30.04**	-	-	-	-	**1,611.79**
Less: Allowances for credit losses	-	-	-	-	-	-	-	-
Net carrying amount	-	**1,581.75**	**30.04**	-	-	-	-	**1,611.79**
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**

Note 11
Cash and Bank Balances **(Rs. In Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and Cash Equivalents		
Cash on Hand	0.42	0.30
Balances with Banks	701.73	105.22
(Including Fixed Deposits with maturity of 0 - 3 months)		
Total Cash and Cash Equivalents	**702.15**	**105.52**
Bank Balance Other than Cash and Cash Equivalents		
In Fixed Deposit #	135.80	331.86
Total Bank Balance Other than Cash and Cash Equivalents	**135.80**	**331.86**
Total Cash and Bank Balances	**837.95**	**437.38**

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

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Notes to the Financial Statements for the year ended March 31, 2026

Note 12

Equity Share Capital (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
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: 15,00,00,000) 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	15,000.00
Total	**15,010.00**	**15,010.00**

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
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
15,00,00,000 (Previous Year: 13,00,00,000) Preference Share Capital (6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Face Value Rs. 10/- each, fully paid up)	15,000.00	13,000.00
Total	**15,010.00**	**13,010.00**

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, 2025	**1,00,000**	**10.00**
Add : Equity Shares issued during the year	-	-
As at March 31, 2026	**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	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**
Add : Preference Shares issued during the year	2,00,00,000	2,000.00
As at March 31, 2026	**15,00,00,000**	**15,000.00**

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.

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

Particulars	As at March 31, 2026 No. of shares	As at March 31, 2025 No. of shares
Name of Equity Shareholder		
Harsha Engineers International Limited & it's Nominee	1,00,000	1,00,000
% Holding in Equity Shares		
Harsha Engineers International Limited & it's Nominee	100.00%	100.00%
Name of Preference Shareholder		
Harsha Engineers International Limited	15,00,00,000	13,00,00,000
% Holding in Preference Shares		
Harsha Engineers International Limited	100.00%	100.00%

Details of Shareholding of Promoters

Particulars	As at March 31, 2026 No. of shares	As at March 31, 2025 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	15,00,00,000	13,00,00,000
% Holding in Total Preference Shares	100.00%	100.00%
% change during the year	0.00%	

Note 13
Other Equity **(Rs. In Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
A : Retained Earnings		
Opening Balance	63.29	(15.93)
Add: Profit/(Loss) during the year	(1,158.24)	79.57
Add / Less: Remeasurement of defined benefit plan transferred from OCI	14.50	(0.35)
Total Retained Earnings	**(1,080.45)**	**63.29**
B : Other Comprehensive Income (OCI)		
Items that will not be reclassified to statement of profit and loss		
Remeasurement of defined benefit plan :		
Opening Balance	-	-
Add / Less: Increase/(Decrease) During the Year	17.51	(0.42)
Add / Less: Income Tax	(3.01)	0.07
Less: Transferred to retained earnings	(14.50)	0.35
Closing Balance	-	-
Total Other Comprehensive Income (OCI)	-	-
Total Other Equity	**(1,080.45)**	**63.29**

Note: Refer statement of changes in equity (SOCIE) for nature and purpose of reserves.

Note 14
Borrowings **(Rs. In Lakhs)**

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current Borrowings		
Secured		
From HDFC Bank Ltd	20,022.07	9,371.53
Total Non-Current Borrowings	**20,022.07**	**9,371.53**

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 current assets (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 up to 8.60 % p.a . on Long Term Borrowing

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Terms of Repayments:

Non- Current Borrowing

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
1-2 Years	2,891.43	1,249.54
2-3 Years	2,891.43	1,249.54
3-4 Years	2,891.43	1,249.54
Beyond 4 Years	11,347.78	5,622.92
Total	**20,022.07**	**9,371.53**

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

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current Borrowings		
Secured		
HDFC Bank Ltd	1,000.00	-
Current maturities of long term debt	1,663.68	-
Total Current Borrowings	**2,663.68**	**-**

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

HDFC Bank Ltd

Secured by hypothecation of first charge on the entire current assets (stock and book debts) and Corporate Guarantee of Harsha Engineers International Ltd, India.

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.

Note 15

Provisions

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Provision For Employees Benefits, Refer Note : 30	109.43	15.24
Total Non-Current Provisions	**109.43**	**15.24**
Current		
Provision For Employees Benefits, Refer Note : 30	5.93	5.87
Total Current Provisions	**5.93**	**5.87**

Note 16

Deferred Tax Liabilities (Net)

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability, Refer Note : 29	-	9.71
Less : Deferred Tax Asset, Refer Note : 29	-	(3.12)
Deferred Tax Liabilities (Net)	**-**	**6.59**

Note 17

Trade Payables

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Dues to Micro and Small Enterprises [#]	94.71	16.89
Dues to other than Micro and Small Enterprises	674.89	130.84
Total Trade Payables $	**769.60**	**147.73**

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

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[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31 are provided as under for & to the extent the Company has received intimation from the "Suppliers" regarding their status under the said Act.

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
A: Principal amount remaining unpaid to any supplier as at year end	94.71	16.89
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.	-	-

Ageing of Trade Payables (Rs. In Lakhs)

Particulars	Unbilled Due	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, 2026							
(i) MSME -Undisputed	-	94.71	-	-	-	-	94.71
(ii) Other -Undisputed	50.29	444.55	180.05	-	-	-	674.89
(iii) MSME -Disputed	-	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-	-
Total	**50.29**	**539.26**	**180.05**	-	-	-	**769.60**
As at March 31, 2025							
(i) MSME -Undisputed	-	16.89	-	-	-	-	16.89
(ii) Other -Undisputed	8.21	59.52	63.11	-	-	-	130.84
(iii) MSME -Disputed	-	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-	-
Total	**8.21**	**76.41**	**63.11**	-	-	-	**147.73**

Note 18
Other Financial Liabilities (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Security Deposits From Vendors	14.44	4.38
Total Other Non-Current Financial Liabilities	**14.44**	**4.38**
Current		
Interest accrued but not due on borrowings	131.02	59.90
Payables for Capital Goods	1,252.03	796.89
Accrued Expenses	79.88	20.83
Total Other Current Financial Liabilities	**1,462.93**	**877.62**

Note 19
Other Liabilities (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Payable to Statutory Authorities	80.48	27.40
Advance from Customers	0.02	-
Total Current Other Liabilities	**80.50**	**27.40**

Note 20
Current Tax Liabilities [Net] (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Provision for taxation [Previous Year : Net of Advance of Rs. 29.32 Lakhs]	-	2.36
Total Current Tax Liabilities [Net]	-	**2.36**

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Note 21
Revenue from Operations (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales of Products	4,278.18	768.11
Other Operating Revenues		
Exports Benefits	41.22	-
Total Revenue from Operations	**4,319.40**	**768.11**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Reconciliation of revenue from operations with the contracted price:		
Revenue as per Contract price	4,238.77	768.59
Less: Discounts	-	(0.48)
Less: Sales return	39.41	-
Other Operating Revenues	41.22	-
Total Revenue from Operations	**4,319.40**	**768.11**
ii) Revenue disaggregation by geography:		
a. India	4,169.65	768.11
b. Outside India	149.75	-
Total Revenue from Operations	**4,319.40**	**768.11**

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, 2026	For the year ended March 31, 2025
Contract assets :		
Trade receivables	1,611.79	175.88
Contract assets-Other Trade Receivable -Un billed Revenue	-	-
Contract liabilities :	-	-
Advance from customers	0.02	-

Note 22
Other Income (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income	166.53	55.47
Gain / (Loss) on Exchange Rate Fluctuation #	19.74	60.49
Miscellaneous Income	19.53	-
Total	**205.80**	**115.96**
Other Income-Non -Operating		
Gain / (Loss) on Sale of Investment (Mutual funds) (measured at FVTPL)	47.94	45.99
Gain/ (Loss) on Fair Value of Investments (measured at FVTPL)	3.42	-
Total Other Income	**257.16**	**161.95**
# Includes unrealised Gain / (Loss) on Exchange Rate Fluctuation	10.60	(2.75)

Note 23
Cost of Materials Consumed (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of Material Consumed	3,389.36	348.58
Total Cost of Materials Consumed	**3,389.36**	**348.58**

Note 24
Change In Inventories of Finished Goods & Work-In-Progress (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Finished Goods Opening Stock	30.71	47.82
Less : Finished Goods Closing Stock	(1,173.85)	(30.71)
Total	**(1,143.14)**	**17.11**
Work-In-Progress Opening Stock	44.72	13.73
Less : Work-In-Progress Closing Stock	(239.84)	(44.72)
Total	**(195.12)**	**(30.99)**
Toolings Opening Stock	12.18	12.00
Less : Toolings Closing Stock	(196.70)	(12.18)
Total	**(184.52)**	**(0.18)**
Total Change In Inventories of Finished Goods & Work-In-Progress	**(1,522.78)**	**(14.06)**

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HARSHA ENGINEERS ADVANTEK LIMITED
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Note 25
Employee Benefit Expenses (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, Wages & Bonus etc.	763.46	109.70
Contribution to Provident and Other Funds	46.86	6.61
Expenses related to Post Employment Defined Benefit Plans Refer Note:30	47.53	3.02
Staff Welfare	91.47	6.76
Total Employee Benefit Expenses	**949.32**	**126.09**

Note 26
Finance Costs (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Expense		
On Term Loans	917.47	-
On Working Capital Loans	28.80	9.12
On Others	0.36	0.40
Total of Interest Expense	**946.63**	**9.52**
Other Borrowing Costs		
Bank Charges	54.52	0.33
Total of Other Borrowing Costs	**54.52**	**0.33**
Total Finance Costs	**1,001.15**	**9.85**

Note 27
Other Expenses (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores & Spares Consumed	223.42	16.75
Packing Materials Consumed	87.31	7.87
Power & Fuel Consumption	246.65	46.12
Machinery Repairs & Maintenance	30.15	2.69
Contractor-Labour Charges	403.87	113.92
Non Quality & Other Operative Expenses	13.77	-
Advertisement & Sales Promotion	1.58	12.05
Celebration Expenses	32.80	0.24
Computer Expenses	5.90	0.01
Freight, Forwarding & Clearing Expenses	104.56	3.11
Insurance Premium	10.26	0.18
Legal & Professional Expenses #	38.17	55.63
Rent Expenses	11.14	18.31
Repairs & Maintenance (Others)	11.21	1.09
Rates & Taxes	2.67	1.09
Security & Housekeeping Expenses	63.09	-
Stationery, Printing & Communication Expenses	11.32	0.43
Staff Training, Membership & Subscription	4.16	0.08
Traveling & Conveyance Expenses	13.21	0.63
Miscellaneous expenses	16.37	0.14
Total Other Expenses	**1,331.61**	**280.34**

 # Legal and Professional Expenses include: (Rs. In Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment to Statutory Auditor as (Excluding taxes):		
a) Audit Fees	4.00	4.00
b) Other Services	0.06	0.25
Total	**4.06**	**4.25**

Note 28
Earning Per Share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax attributable to Equity Holders (Rs. in Lakhs)	(1,158.24)	79.57
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	14,46,02,740	11,13,42,466
Weighted average number of Diluted Shares for Diluted EPS	14,47,02,740	11,14,42,466
Nominal value of equity share (Rs.)	10	10
Earnings Per Share (Rs.)		
Basic	(1,158.24)	79.57
Diluted	(0.80)	0.07

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HARSHA ENGINEERS ADVANTEK LIMITED
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Note 29 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, 2026	For the year ended March 31, 2025
1.Profit & Loss Section:		
Current Tax	53.97	31.45
Excess / Short Provision of Tax	1.41	1.86
Deferred Tax	(272.56)	4.42
Tax Expense Reported in Profit & Loss a/c.	**(217.18)**	**37.73**
2.OCI section:		
Deferred Tax of OCI	3.01	(0.07)
Tax Charged to OCI	**3.01**	**(0.07)**
Total Income Tax Expense	**(214.17)**	**37.66**

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, 2026	For the year ended March 31, 2025
Profit/(Loss) Before Tax	(1,375.42)	117.30
Income Tax Expenses @ 17.16%	(236.02)	20.13
Adjustments:		
Differences due to Higher rate Tax on Other Income & CG	17.17	6.76
Effect of Non Deductible Expenses	2.51	7.50
Excess / Short Provision of Tax	1.41	1.86
Effect of unrecognised Deferred Tax Asset / Liability	(2.25)	0.98
DT not create on Pre-operative Gratuity & Leave Liability	-	0.50
Current Tax reported in statement of Profit & Loss	**(217.18)**	**37.73**

B : Movement in Deferred Tax Balances **(Rs. In Lakhs)**

Particulars	Net Balance April 1, 2025	For the year ended March 31, 2026: Recognised in Profit and Loss	For the year ended March 31, 2026: OCI	As at March 31, 2026: Net	As at March 31, 2026: Deferred Tax Asset	As at March 31, 2026: Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(9.71)	(237.08)	-	(246.79)	-	(246.79)
Gratuity	2.43	14.81	-	17.24	17.24	-
Leave Encashment	0.66	4.66	-	5.32	5.32	-
Cumulative C/F Business Loss	-	490.76	-	490.76	490.76	-
Provision Income/Loss of MFs	-	(0.58)	-	(0.58)	-	(0.58)
Remeasurement of Gratuity (OCI)	0.03	-	(3.01)	(2.98)	-	(2.98)
Deferred Tax Assets/ (Liabilities)	**(6.59)**	**272.57**	**(3.01)**	**262.97**	**513.32**	**(250.35)**

Movement in Deferred Tax Balances **(Rs. In Lakhs)**

Particulars	Net Balance April 1, 2024	For the year ended March 31, 2025: Recognised in Profit and Loss	For the year ended March 31, 2025: OCI	As at March 31, 2025: Net	As at March 31, 2025: Deferred Tax Asset	As at March 31, 2025: 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)**

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Note 30

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

Particulars	2025-26		2024-25	
	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	7.35% P.A.		6.75% P.A.	
Salary escalation	6.00% P.A.		6.00% 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 morality rates, and variability in withdrawal rate.

B. Investment Risk: For funded plans that rely on insures 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 government may amend the Social Security Code, 2020 thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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	2025-26		2024-25	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	15.57	5.54	4.04	0.61
Interest Cost	2.95	0.80	0.89	0.04
Transfer in /(out) Obligation	61.37	13.58	16.81	5.29
Current Service Cost	14.75	12.56	2.74	1.18
Benefit Paid	(6.24)	(4.48)	(9.34)	(2.50)
Due to change in financial Assumptions	(5.83)	(2.32)	0.61	0.28
Due to Experience adjustments	(11.68)	(0.46)	(0.19)	0.63
Past Service Cost	13.48	5.77	-	-
Liability at the end of the period	**84.37**	**30.99**	**15.57**	**5.54**
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	2025-26		2024-25	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Amount recognized in Balance Sheet				
Liability at the end of the period	84.37	30.99	15.57	5.54
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognized in Balance Sheet	**84.37**	**30.99**	**15.57**	**5.54**

(Rs. In Lakhs)

Particulars	2025-26		2024-25	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss				
Current Service cost	14.75	12.56	2.74	1.18
Past Service Cost	13.48	5.77	-	-
Interest cost	2.95	0.80	0.89	0.04
Net Actuarial Gain/(Loss)	-	(2.78)	-	0.90
Transfer to Capital WIP (Preoperative Expenses) / transfer from Holding Co.	-	-	(1.17)	(1.56)
Net Expense recognized in P&L	**31.18**	**16.35**	**2.46**	**0.56**
Expense recognized in the Statement of Other Comprehensive Income				
Due to change in financial assumption	(5.83)	-	0.61	-
Due to change in Experience adjustments	(11.68)	-	(0.19)	-
Net Expense recognized in OCI	**(17.51)**		**0.42**	-

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Sensitivity Analysis

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

(Rs. In Lakhs)

Particulars	2025-26		2024-25	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate 0.5%/-0.5% (Previous year: 0.5%/-0.5%)	(4.65)	5.06	(0.75)	0.82
Salary growth rate 0.5%/-0.5% (Previous year: 0.5%/-0.5%)	5.11	(4.73)	0.83	(0.76)
Withdrawal/Attrition Rate 10%/-10% (Previous year: 10%/-10%)	0.12	(0.15)	0.00	(0.00)
Leave salary				
Discount rate 0.5%/-0.5% (Previous year: 0.5%/-0.5%)	(1.72)	1.92	(0.34)	0.38
Salary growth rate 0.5%/-0.5% (Previous year: 0.5%/-0.5%)	1.94	(1.75)	0.38	(0.34)
Withdrawal/Attrition Rate 10%/-10% (Previous year: 10%/-10%)	0.14	(0.13)	0.02	(0.01)

The Maturity Profile of Defined Benefit Obligation

Particulars	2025-26		2024-25	
	Gratuity	Leave Salary	Gratuity	Leave Salary
The Weighted Average Duration (Years) as at valuation date	12.14 Years	12.97 Years	10.25 Years	13.76 Years

(Rs. In Lakhs)

Expected Future Cash Flows (Undiscounted)	2025-26		2024-25	
Particulars	Gratuity	Leave Salary	Gratuity	Leave Salary
Year 1 Cash flow	1.81	4.11	5.05	0.82
Year 2 Cash flow	2.02	0.94	0.23	0.15
Year 3 Cash flow	2.23	0.96	0.20	0.13
Year 4 Cash flow	27.38	5.32	0.22	0.14
Year 5 Cash flow	2.02	0.87	0.28	0.14
Year 6 to Year 10 Cash flow	14.40	6.08	1.66	0.79

New Labour Code :

Effective November 21, 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the "New Labour Codes". On the basis of the information available, the Company has assessed the financial implications of these changes, which has resulted in one time increase in gratuity and leave encashment liability mainly on account of past service cost by Rs.19.25 lakhs. Such increase is primarily arising due to change in the definition of "wages" for employees and contract labours. Certain supporting rules under the New Labour Codes are yet to be notified, and the Company continues to monitor the enactment of the Central and State rules and related clarifications, appropriate accounting effect of such developments will be provided.

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Notes to the Financial Statements for the year ended March 31, 2026

Note 31 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.	Fellow Subsidiary
Harsha Engineers Europe SRL	Fellow Subsidiary
Cleanmax Harsha Solar LLP	Joint Venture

C. Director or Key Management Personnel ("KMP") and their relatives :-

Vishal Rangwala	Pilak Shah
Rajendra Shah	Harish Rangwala
Hetal Naik	Kiran Mohanty
Maulik Jasani	Manish Naik

D. Enterprise on which Director or KMP or their relatives have significant influence and control with whom transactions has been made during the year :-

AIA Engineering Limited *	Crest Creative Unit

E. Transactions during the year with related parties :- (Rs. In Lakhs)

Sr. No.	Nature of transaction / relationship / major parties		For the year ended	
	Name of Entity	Type of Relationship	March 31, 2026	March 31, 2025
1	**Investment in Preference Share Capital by Holding Company**			
	Harsha Engineers International Limited	Holding Company	2,000.00	6,000.00
	Total		**2,000.00**	**6,000.00**
2	**Sales of Goods & License / Reimbursement**			
	Harsha Engineers International Limited	Holding Company	106.75	-
	Harsha Engineers Europe SRL	Fellow Subsidiary	110.59	-
	AIA Engineering Limited *	Directors have significant influence & control	79.36	25.03
	Total		**296.70**	**25.03**
3	**Purchase of Goods / Job work / Service/ Reimbursement**			
	Harsha Engineers International Limited	Holding Company	521.35	104.20
	Crest Creative Unit	Directors's relatives have influence/control	2.41	-
	Total		**523.76**	**104.20**
4	**Purchase of Assets**			
	Harsha Engineers International Limited	Holding Company	295.90	-
	Total		**295.90**	**-**
5	**Interest Expense**			
	Harsha Engineers International Limited	Holding Company	4.44	7.64
	Total		**4.44**	**7.64**
6	**Corporate Guarantee Charges Expenses**			
	Harsha Engineers International Limited	Holding Company	63.97	27.65
	Total		**63.97**	**27.65**
7	**Loans Accepted**			
	Harsha Engineers International Limited	Holding Company	520.00	900.00
	Total		**520.00**	**900.00**
8	**Loans Repaid**			
	Harsha Engineers International Limited	Holding Company	520.00	900.00
	Total		**520.00**	**900.00**

F. Outstanding balance of related party :- (Rs. In Lakhs)

Sr. No.	Nature of transaction / relationship / major parties		As at	
	Name of Entity	Type of Relationship	March 31, 2026	March 31, 2025
1	**Trade & Other Receivable**			
	Harsha Engineers International Limited	Holding Company	7.94	-
	AIA Engineering Limited *	Directors have significant influence & control	34.23	4.41
	Total		**42.16**	**4.41**
2	**Trade & Other Payables**			
	Harsha Engineers International Limited	Holding Company	576.92	27.65
	Crest Creative Unit	Directors have significant influence & control	0.16	-
	Total		**577.08**	**27.65**

* Mr. Rajendra Shah is ceased to be Chairman and Director in the AIA Engineering Limited effective from April 20, 2026.

G. The sales to and purchase from related parties entered during the year were in ordinary course of the business and are on arm's length basis.

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Note 32 Other Notes

32.1. Contingent Liabilities, Contingent Assets and Capital Commitments

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

(Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
(i) Letter of Credit/Corporate Guarantee/Stand by Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	140.15	338.80
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	242.28	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)	513.92	4,856.46

32.2. 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.

32.3. 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 2026, revenue from operations of 2 customer of the Company represented approximately Rs.2,867 lakhs 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.

32.4. 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).

32.5. 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.

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

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Notes to the Financial Statements for the year ended March 31, 2026

Note 33 Financial Ratio

Particulars	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	% Change
1) Current Ratio (Times)	Current Assets	Current Liabilities	2.08	2.17	-4%
2) Debt-Equity Ratio (Times) [1]	Total debt (current and non-current borrowings)	Total equity	1.63	0.72	127%
3) Debt Service Coverage Ratio (Times) [2]	Profit After Tax Plus Depreciation and Finance Cost , Excluding Other Income	Debt Service = Current Debt Obligation (Interest and principal repayment during the year)	0.39	-1.07	-136%
4) Return on Equity Ratio (%) [3]	Net profit attributable to Equity Share holders(PAT-Profit After Tax)	Average Equity	-8.58%	0.79%	-1182%
5) Inventory turnover ratio (Times) [4]	Net Sales	Average Inventories	2.71	7.25	-63%
6) Trade Receivables turnover ratio (Times)	Net Sales	Average Accounts Receivable	4.79	4.56	5%
7) Trade payables turnover ratio (Times) [5]	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	10.29	4.50	129%
8) Net capital turnover ratio (Times) [6]	Net Sales	Average Working Capital (Current Assets minus Current Liabilities)	1.29	0.50	161%
9) Net profit ratio (%) [7]	Net profit (PAT-Profit After Tax)	Revenue from Operations	-26.81%	10.36%	-359%
10) Return on Capital employed (%) [8]	Profit before interest and tax	Average Capital Employed (Total Tangible Net worth, Total Debt & Deferred Tax Asset/Liabilities)	-1.27%	0.86%	-247%
11) Return on investment (%)	Income from Investment	Average Fund Invested	7.63%	7.09%	8%

Reason for change more than 25% :

[1] Debt-Equity Ratio (Times) : Due to Increase in Long Term Debt.
[2] Debt Service Coverage Ratio (Times) : Due to Increase in Operating activity & Increase in Debt.
[3] Return on Equity Ratio (%) : Due to losses incurred during the current year.
[4] Inventory turnover ratio (Times) : Due to increase in Inventory & Revenue.
[5] Trade payables turnover ratio (Times) : Due to increase in Expenses during the current year.
[6] Net capital turnover ratio (Times) : Due to increase in Sales.
[7] Net profit ratio (%) : Due to losses incurred during the current year.
[8] Return on Capital Employed (%) : Due to increase in losses & increase in Capital Employed.

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HARSHA ENGINEERS ADVANTEK LIMITED
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Note 34

A. Financial Instruments by Category and their Fair Value

(Rs. In Lakhs)

As at March 31, 2026	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	1,003.37	-	1,509.58	2,512.95	1,003.37	-	-	1,003.37
Unquoted	-	-	-	-	-	-	-	-
Loans								-
Non-Current	-	-	1.01	1.01	-	-	-	-
Current			2.91	2.91	-	-	-	-
Trade Receivables	-	-	1,611.79	1,611.79	-	-	-	-
Cash and Cash Equivalents	-	-	702.15	702.15	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	-	-	135.80	135.80	-	-	-	-
Other financial assets								
Non-Current	-	-	13.80	13.80	-	-	-	-
Current	-	-	65.78	65.78	-	-		-
Total financial assets	**1,003.37**	-	**4,042.82**	**5,046.19**	**1,003.37**	-	-	**1,003.37**
Financial liabilities								
Borrowings								
Non-current	-	-	20,022.07	20,022.07	-	-	-	-
Current	-	-	2,663.68	2,663.68	-	-	-	-
Other financial liabilities								
Non-current	-	-	14.44	14.44	-	-	-	-
Current	-	-	1,462.93	1,462.93	-	-	-	-
Trade Payables	-	-	769.60	769.60	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	**24,932.72**	**24,932.72**	-	-	-	-

(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	-	-	-	-
Unquoted	-	-	-	-	-	-	-	-
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	-	-	-	-
Current	-	-	-	-	-	-	-	-
Other financial liabilities								
Non-current	-	-	4.38	4.38	-	-	-	-
Current	-	-	877.62	877.62	-	-	-	-
Trade Payables	-	-	147.73	147.73	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	**10,401.26**	**10,401.26**	-	-	-	-

Fair value of instruments measured at amortised cost:

The carrying amounts of Financial assets and liabilities are considered to be the approximately equal to the fair values and not materially different from the carrying amount. Accordingly, the fair value has not been disclosed separately.

Types of inputs are as under:

Input Level 1 (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

Input Level 2 (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level 3 (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Financial risk management

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

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

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(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The Company's exposure to credit risk is the exposure that Company has on account of goods & services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Age of Receivables: (Rs. In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unbilled Due	-	-
Not Due	1,581.75	152.24
Less than 6 Months	30.04	23.61
6-12 Months	-	0.03
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	**1,611.79**	**175.88**

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.

(Rs. In Lakhs)

As at March 31, 2026	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	20,022.07	20,022.07	-	20,022.07
Current borrowings	2,663.68	2,663.68	2,663.68	-
Non current financial liabilities	14.44	14.44	-	14.44
Current financial liabilities	1,462.93	1,462.93	1,462.93	-
Trade and other payables	769.60	769.60	769.60	-
Total	24,932.72	24,932.72	4,896.21	20,036.51

(Rs. In Lakhs)

As at March 31, 2025	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	877.62	877.62	877.62	-
Trade and other payables	147.73	147.73	147.73	-
Total	10,401.26	10,401.26	1,025.35	9,375.91

(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	As at March 31, 2026	As at March 31, 2025
Outstanding Foreign Receivables(Including Loans, if any)		
- Receivable in USD	16,502	4,74,820
- Receivable in EUR	2,52,748	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	**291.13**	**405.85**
Outstanding Foreign Payables (Including Loans, if any)		
- Payable in SGD	8,000	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	**5.88**	-

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Foreign Currency Risk Sensitivity

(Rs. In Lakhs)

Particulars	Movement (%)		Effect on PBT		Effect on equity net of tax	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USD Sensitivity						
INR/USD- Increased by	1.00	1.00	0.16	4.06	0.13	3.36
INR/USD- Decreased by	1.00	1.00	(0.16)	(4.06)	(0.13)	(3.36)
EUR Sensitivity						
INR/EUR- Increased by	1.00	1.00	2.75	-	2.28	-
INR/EUR- Decreased by	1.00	1.00	(2.75)	-	(2.28)	-
SGD Sensitivity						
INR/SGD- Increased by	1.00	1.00	(0.06)	-	(0.05)	-
INR/SGD- Decreased by	1.00	1.00	0.06	-	0.05	-

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

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

(Rs. In Lakhs)

Particulars	Movement - effect on Profit Before Tax	
	As at	
	March 31, 2026	March 31, 2025
50 bp increase-decrease in profits	113.43	46.86
50 bp decrease-increase in profits	(113.43)	(46.86)

Price risk:

The Company's exposure to price risk arises from investments in Mutual Funds, Bonds, by the Company and classified in the balance sheet as fair value through profit or loss and as fair value through OCI respectively.

Price risk Sensitivity :

The impact of increases/decreases of the index on the Company's profit before tax and equity for the period are as under.

(Rs. In Lakhs)

Particulars	Movement (%)		Effect on PBT		Effect on equity net of tax	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Mutual Funds [Quoted]						
Increased by	2.00	2.00	20.07	-	15.02	-
Decreased by	2.00	2.00	(20.07)	-	(15.02)	-

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 March 31, 2026	As at March 31, 2025
Debt *	22,685.75	9,371.53
Total equity	13,929.55	13,073.29
Debt to total equity ratio (in times)	**1.63**	**0.72**

*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 34

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

Date : May 05, 2026
Place : Ahmedabad

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

Vishal Rangwala
Chairman & Whole-time Director
DIN: 02452416

Pilak Shah
Managing Director
DIN: 00407960

Maulik Jasani
Chief Financial Officer
Date : May 05, 2026
Place : Ahmedabad

Kiran Mohanty
Company Secretary
M. No.: F9907

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Harsha Engineers Advantek Limited ("the Company") will be held on Monday, July 13, 2026 at the Registered Office of the Company situated at Sarkhej-Bavla Road, Changodar, Sanand, Ahmedabad-382213, Gujarat, India at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt** the Audited Financial Statements of the Company for the financial year ended on **March 31, 2026** together with the reports of Board of Directors and Auditors thereon.

2. To Appoint a Director in place of Ms. Hetal Naik (DIN: 01990172), who retired by rotation, being eligible for re-appointment and offers herself for re-appointment.

3. To Appoint a Director in place of Mr. Harish Rangwala (DIN: 00278062), who retired by rotation, being eligible for re-appointment and offers himself for re-appointment.

May 5, 2026
Registered Office:
Sarkhej-Bavla Road, Changodar, Sanand,
Ahmedabad-382213, Gujarat, India.
Tel.: 91-2717-618200
Email-Id: sec@harshaengineers.com
CIN: U28140GJ2023PLC139182

By Order of Board of Directors
For Harsha Engineers Advantek Limited

K. Mohanty

Kiran Mohanty
Company Secretary
Mem. No.:- F9907

Notes:

1. A MEMBER ENTITLE TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF SUCH MEMBER AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member. A proxy shall not have the right to speak at the meeting and shall not be entitled to vote except on a poll.

2. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the meeting.

3. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting.

4. Members/proxies/authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.

5. All documents referred to in this Notice and the statutory registers as required under the Companies Act, 2013 shall be open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to and including the date of the Annual General Meeting.

6. Route map of the venue of the meeting is annexed hereto.

By Order of Board of Directors

May 5, 2026
Registered Office:
Sarkhej-Bavla Road, Changodar, Sanand,
Ahmedabad-382213, Gujarat, India.
Tel.: 91-2717-618200
Email-Id: sec@harshaengineers.com
CIN: U28140GJ2023PLC139182

K. Mohanty

Kiran Mohanty
Company Secretary
Mem. No.:- F9907