A WORLD OF **PRECISION**

ANNUAL REPORT

2021
2022

HARSHA
ENGINEERS

MILESTONES & RECOGNITIONS

1986 Incorporation of Harsha Engineers Limited

2003 Establishment of a 100% Export oriented Unit (EOU) at Moraiya, Ahmedabad

2009 Partial acquisition of Aastha Tools Private Limited by purchasing its equity shares

2010 Established a new production facility in Changshu, Jiangsu province, China

Incorporation of Harsha Abakus Solar Private Limited - Turnkey Solution Provider for Solar Photovoltaics

2011 Installed large size bearing cage machinery with capacity of 1,000 tonne at Changodar, Ahmedabad

2014 Acquisition of Harsha Precision Bearing Components (China) Co. Ltd. (Formerly known as BecoTek Precision Bearing Components (Suzhou) Co. Ltd.) located at Suzhou, Jiangsu province, China

2016 Acquisition of Harsha Engineers Europe SRL (Formerly known as Johnson Metall S.A.) located at Brasov, Romania

2019 Commissioning of new plant at Changshu, China

2021 Consolidated the engineering business and solar EPC business under a single entity pursuant to the Scheme approved by the National Company Law Tribunal, Ahmedabad Bench

GLOBAL LOCATIONS

HARSHA ENGINEERS INTERNATIONAL LIMITED

CHANGODAR PLANT:
NH-8A, Sarkhej-Bavla Highway, Changodar,
Ahmedabad - 382213, Gujarat, INDIA.

HARSHA ENGINEERS INTERNATIONAL LIMITED

MORAIYA PLANT:
Plot No. 427 / 431, Moraiya Farm, Sarkhej-Bavla
Road, P.O. Changodar, Ahmedabad - 382213,
Gujarat, INDIA.

HARSHA PRECISION BEARING COMPONENTS (CHINA) CO. LTD.

CHINA PLANT:
No. 10 Fuhua Road, Bixi Sub-District,
Changshu, Jiangsu Province, China.

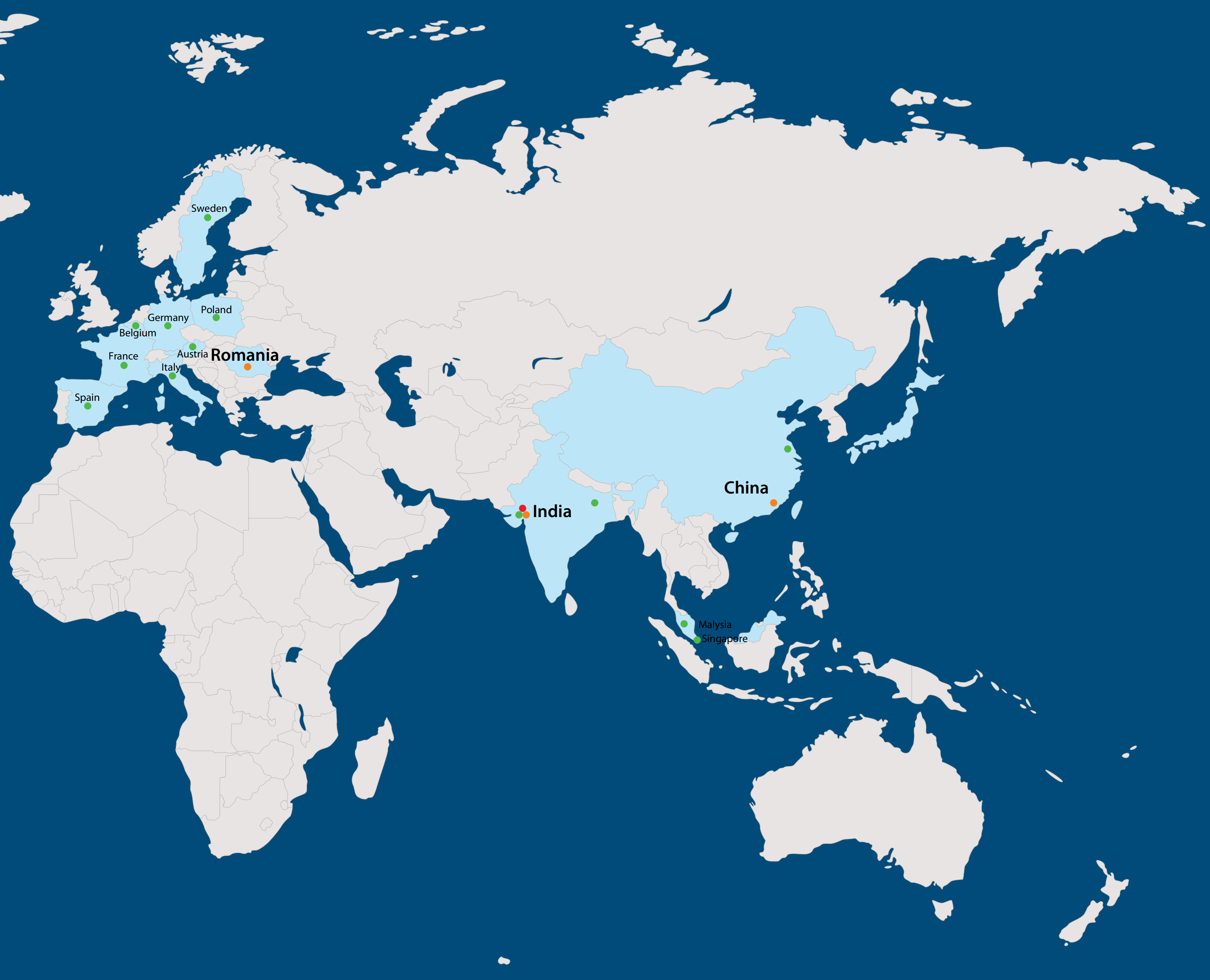
HARSHA ENGINEERS EUROPE SRL

ROMANIA PLANT:
Str, Hermann Oberth Nr. 23 Hala 4 Ghimbav
507075, Brasov, Romania.

GLOBAL LOCATIONS

Strategically located domestic and international manufacturing facilities and warehouses

HEIL's global presence facilitates the capability to overcome critical barriers of entry and allows us to penetrate these markets more efficiently, enabling us to becoming a local supplier to leading key global bearing players, thereby giving customers the value benefit of cost-competitive manufacturing operations.


Sweden
Poland
Germany
Belgium
France
Austria
Romania
Italy
Spain
India
China
Malysia
Singapore

A WORLD OF **PRECISION**

"Harsha Engineers International Limited is a precision engineering company which adheres to innovation and research to ensure that all its customers are supplied world class precision products."

From an early start as the manufacturer of taper roller bearing cages, the company runs multiple manufacturing bays for brass, steel and polyamide cages as well a capability to deliver precision components. In the last few decades, primarily through expansion and adopting state of the art technologies, HEIL has acquired a unique reputation for customisation, manufacturing flexibility and low cost competitive advantages which has been instrumental in improving its global footprint while faithfully complying with manufacturing and environmental standards.

VISION

HEIL aspires to be a Global Leader and continues to be the Preferred Supplier of Bearing Cages and Precision Components.

MANAGEMENT

HEIL's Management Team presents a blend of experience and entrepreneurial vision. This helps to unlock a fine combination of dynamism and maturity which stabilises the core and allows for steady progress in the future.

As professionally qualified engineers who have adapted to the changing landscape of technology across four decades, a new wave of strategic thinking is now propelling the company to delimit the metric of excellence on solid principles of corporate governance and business integrity.

HEIL believes that the company also benefits significantly from the qualified and experienced second generation management team comprising of Vishal Rangwala, Pilak Rajendra Shah and Hetal Ukani who drive the company through their entrepreneurial vision and the technical ability to further expand business and operations.

This initiative has given HEIL a welcome thrust as its operations have successfully expanded to international destinations, namely China & Europe.

PRODUCT RANGE

HEIL is a TPM certified Precision Engineering Company manufacturing Bearing Cages and Precision Components. Diversified product portfolio, expertise in Tooling, R&D and Automation drives operations without compromising on Health, Safety & Environment. HEIL Designs and manufactures more than 7500 products in the range of 20 mm to 2000 mm and has developed more than 1200 products in the last 3 years.

BRASS CAGES

BRONZE BUSHINGS

SAND CASTINGS

Brass cages have salient characteristics of high rigidity and is suitable for high temperature operating conditions. HEIL had recently expanded the product portfolio to introduce sand casting and bronze bushings to cater to more end user industries such as wind, mining and shipping sectors.

POLYAMIDE CAGES

HEIL manufactures injection moulded polyamide cages reinforced with glass fibres which are widely used today.

Cages made of high-polymer materials are lightweight and corrosion resistant. They also have superior damping and better lubrication performance.

STEEL
CAGES

Capitalizing on expertise in stamping technology, HEIL is able to manufacture cages from various grades of steel as per the customer needs.

These are light in weight, relatively high in strength and able to reduce friction & wear.

STAMPED
COMPONENTS

In recent years, automotive & industrial stamping has emerged as a key market segment, wherein we provide comprehensive metal stamping solutions ranging from simple to complex designs and geometries.

HEIL has a capability to manufacture high quality precision component parts as well as semi assembled modular units that are built on internally designed assembly lines.

BOARD OF **DIRECTORS**

Rajendra Shah

Chairman & Whole-time Director

Shri Rajendra Shah is a Mechanical Engineer from Lukhdhirji Engineering College, Morbi. He was awarded the AMA Atlas Dycechem "Outstanding Entrepreneur of the Year Award 2001" by the Ahmedabad Management Association. He currently drives the overall management of HEIL, particularly all financial matters. He is associated with Blind People's Association, Ahmedabad as President. He was Chairman of CII Gujarat for 2019-20. He has over 36 years of experience in the precision engineering business for bearing cages and stamped components.

Harish Rangwala

Managing Director

Shri Harish Rangwala is a Mechanical Engineer from Lukhdhirji Engineering College, Morbi. He served at Tata Chemicals and thereafter joined HEIL. He currently drives the overall management of HEIL, along with the Renewable energy division. He has over 36 years of experience in the precision engineering business for bearing cages and stamped components.

Vishal Rangwala

CEO & Whole-time Director

Shri Vishal Rangwala is a Mechanical Engineer from University of Pune. He further holds a Master of Science degree in Engineering Management from University of Southern California. In 2005, he was appointed as a senior staff analyst at United Service - a division of United Airlines. Thereafter he joined the Company in September 2007, as a manager for marketing. He is responsible for the overall strategic directions for the Harsha group and is currently leading marketing and corporate functions. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.

Pilak Shah

COO & Whole-time Director

Shri Pilak Shah holds is a Mechanical Engineer from Nirma Institute of Technology. He also holds a Master's degree in Integrated Manufacturing Systems Engineering from North Carolina State University. Thereafter he joined the Company in 2006, as a manager for resource management and was thereafter, appointed as director on the Board of our Company on February 5, 2006. He is responsible for the overall strategic directions of the Harsha Group. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.

Hetal Ukani
Whole-time Director

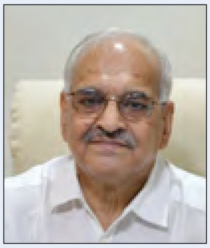
Ms. Hetal Ukani is a Mechanical Engineer from L.D. Engineering College and has completed Master of Technology in Mechanical Engineering with specialization in Design Engineering. She has been associated with the Company since 2015. She has extensive knowledge and technical skills in Designing Software's, Design Failure Mode and Effect Analysis (DFMEA), Automotive Engineering, Lean Manufacturing, Geometric Dimensioning and Tolerancing (GD&T), Sheet Metal, Total Productive Maintenance (TPM) etc. She is responsible for Health and Safety of all employees and others who may be affected by the Company's operations. She also plays a vital role in managing TPM function of the Company.

Neharika Vohra
Independent Director

Prof. (Dr.) Neharika Vohra holds a bachelor's degree in Psychology from Shushilavati Khosla D.A.V. College for Women, Rourkela, Master of Arts and Doctor of Philosophy from The University of Manitoba. She is currently Vice Chancellor of the Delhi Skills and Entrepreneurship University. She has been a Professor at IIM Ahmedabad since the last two decades. She has also taught at Xavier Institute of Management, Bhubaneswar for four years and for short periods at University of Manitoba. She has over 22 years of experience in teaching and research in the field of organizational behavior.

Ambar Patel
Independent Director

Shri Ambar Patel holds a bachelor's degree in Mechanical Engineering from Gujarat University. He has served as the Managing Director of Shilp Gravures Limited since October 29, 1993. He is the Director on Board of The Kalupur Commercial Co-Operative Bank Ltd. and Chairman of MSME committee of the said bank. At present he is an Executive Committee Member as well as Chairman of Labour & Industrial Safety Committee at Gujarat Chamber of Commerce & Industry. He is the President of Santej Industrial Area Association. He is the Advisory Committee Member for Health & Care Foundation and Aastha Charitable Trust.



Bhushan Punani
Independent Director

Shri Bhushan Punani holds bachelor's degree in Science (Dairy Husbandry) from B.N. Chakrabarty University, Kurukshetra, Bachelor of Laws from Gujarat University, Post-Graduate degree in management from the Indian Institute of Management, Ahmedabad and a Doctor of Philosophy (Commerce) degree from Gujarat University. He has also completed a special course on vocational rehabilitation from the University of Hafia, School of Social Work. He is associated with Blind People's Association, Ahmedabad as the General Secretary and with ICEVI as the Vice President. He was awarded the Distinguished Alumnus Award from the Indian Institute of Management, Ahmedabad in 2011. He has been a member of the Central Advisory Board on Disability, National Advisory Committee on Accessible Election and Committee on Drafting of National Law on Disability.

Ramakrishnan Kasinathan
Independent Director

Ramakrishnan Kasinathan holds bachelor's degree in Civil Engineering from the University of Madras, diploma in Basic Finance from the Institute of Chartered Financial Analysts of India, a master's degree in Business Administration from Anna University and a master's degree in Management from the Asian Institute of Management, Philippines. Previously, he has worked at ACT India, Johnson & Johnson Limited, Best & Crompton Engineering Limited, SKF India Limited and Hindustan Zinc Limited. He is currently associated with Nexdigm Private Limited as a consultant.

Kunal Shah
Independent Director

Shri Kunal Shah holds bachelor's degree in Chemical Engineering from Nirma Institute of Technology, Gujarat and holds a degree of Master of Science in Information Systems from Stevens Institute of Technology, USA. He is associated with AIA Engineering Limited since December 2002. He was their CFO from 2014 to 2017 and is currently their Executive Director, Corporate Affairs. He has established his own consulting Firm "Theoden Ventures LLP" and is the co-founder of Aurus. He has an overall general management and financial experience.

MANAGEMENT TEAM OF THE **HARSHA GROUP**

Hemant Sharma

Director of Harsha Precision Bearing Components (China) Co. Limited

Shri Hemant Sharma, has a degree in Mechanical Engineering from BHU-IT, Varanasi and a Post-Graduate Diploma in Business Management from XLRI, Jamshedpur. He has 44 years of experience working in leading companies as well as freelance consultant. He joined Harsha Engineers in 2015 as Country-Head (China). Currently he holds the position of Sr. VP (Brass SBU).

Mircea Bucur

Director of Harsha Engineers Europe SRL

Shri Mircea Bucur holds a Bachelor's degree in Mechanical Engineering from Technical University of Bucharest. He started his career as Welding Engineer in VILMAR, Genoyer Group. His industrial experience has been developed during employment with automotive suppliers Lear, Sumitomo and Faurecia. He is inspired to implement Harsha's excellent work ethos in their European operations, combining positive motivation with a spirit of excellence to facilitate felt deliverables in improving quality, deliveries and costs. He joined as Director of Harsha Engineers Europe SRL from 5th May 2018.

Maulik Jasani

Vice President - Finance & Group Chief Financial Officer

Shri Maulik Jasani was appointed as the Vice President – Finance and Group Chief Financial Officer of our Company with effect from December 25, 2021. Prior to this, he was associated with Harsha Engineers Limited, which has currently merged into our Company from November 26, 2018 as Vice President –Finance & Accounts and thereafter, from May 16, 2019 in his capacity as Chief Financial Officer therein. He holds a bachelor and master's degree in Commerce from the H.L. Commerce College, Gujarat University and R.J. Tibrewal Commerce College, Gujarat University respectively. He is also a member of the ICAI, Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has over 17 years (including three years of articleship) experience in accounting and finance. Prior to joining the Company, he has been associated with Cadila Healthcare Limited, Delhi Assam Roadways Corporation Limited and Mukesh M. Shah & Co, Ahmedabad. He was also associated with Biotech Vision Care Private Limited as the Chief Financial Officer.

Kiran Mohanty

Chief Compliance Officer & Company Secretary

Shri Kiran Mohanty is associated with the Company from July 1, 2015 (in his capacity as Whole-time Secretary of Harsha Engineers Limited, which has currently merged into our Company) was appointed as the Company Secretary and the Chief Compliance Officer of our Company with effect from August 12, 2021. He holds a Bachelor's degree in Commerce (Honours Course) from Delhi University. He further holds a Post Graduate Diploma in Applied Corporate Finance from Maharaja Sayajirao University of Baroda and is a qualified Company Secretary from the Institute of Company Secretaries of India. He has over 13 years (including Articleship) of experience as a Company Secretary. Prior to joining our Company, he has been previously associated with Claris Injectables Limited, John Energy Limited, Sanghvi Forging and Engineering Limited and Siemens Healthcare Diagnostic Limited.

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am elated to present the Annual Report for FY22. I hope this letter finds you in good health.

The biggest challenge for the Indian economy in FY22 was to recover pre-pandemic levels after leaving the worst of the COVID-19 pandemic behind and right when the economy seemed to be at the point of witnessing recovery, the Russia-Ukraine crisis escalated which led to the uncertainties around geopolitical environment. We believe once the dust settles and the clear picture emerge we will verge to have great opportunities and growth.

During amidst uncertainties and difficult times, your Company has made remarkable performance in FY22 at standalone level. Your Company has delivered a robust sales growth of 64%. Profit Before Tax (PBT) grew by 178% while Profit After Tax (PAT) grew by 179% at standalone level. Overall, it has been highly satisfactory year in terms of growth at all level.

We are happy to inform you that your Company now are a consolidated entity with our two businesses i.e “bearing cage business and solar EPC business” synergizing under a single entity. Due to early stage of solar business and constant innovation being carried out by the Company, financial stability and support for sustained growth was much needed for the Company. The Company has successfully executed prestigious projects and has gained considerable experience as qualification for execution of solar projects for which ample opportunity exists given the strong focus on renewable energy both globally as well as in India. The consolidation of the businesses would help the Company to capitalise on the available opportunities in this sun rise renewable energy space. This will also help in achieving the objective of growing both the core businesses in the cost efficient and sustainable manner as per the cultural and core values of the organization as whole.

We are also happy to inform you that, during the year, your Company had initiated the process of Initial Public Issue (IPO) and filed Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 3rd February 2022 and had received final observation letter from SEBI on 30th April 2022 which is valid for 12 month from the date of issuance of observation letter.

APPRECIATION

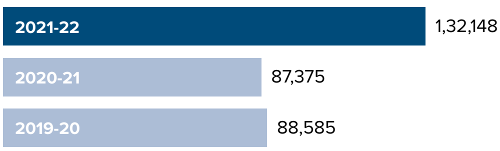
On behalf of the Board of Directors, I would like to take this opportunity to thank the Shareholders for their continuous support to the Company and extend my appreciation to the management, employees, bankers and stakeholders for their contribution and dedication towards the progress of the Company.

Rajendra Shah
Chairman & Whole-time Director

KEY PERFORMANCE INDICATORS (CONSOLIDATED)

Revenue from Operations
₹ in Lakhs

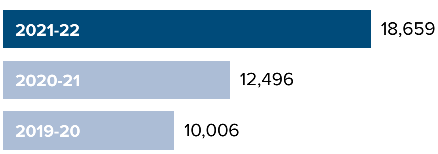
51.2% ↑ y-o-y



Fixed Asset Turnover Ratio[5]

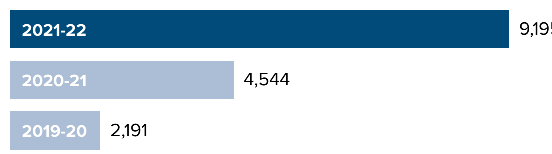
EBITDA[1]
₹ in Lakhs

49.3% ↑ y-o-y



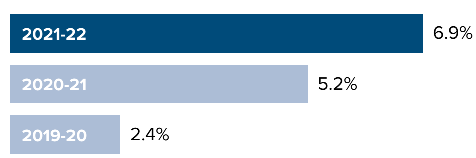
PAT
₹ in Lakhs

102.4% ↑ y-o-y



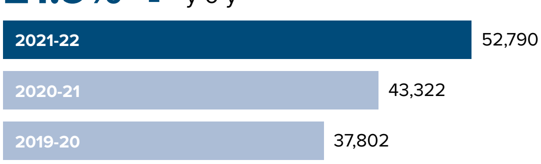
EBITDA Margin[2]

PAT Margin[6]



Networth[3]
₹ in Lakhs

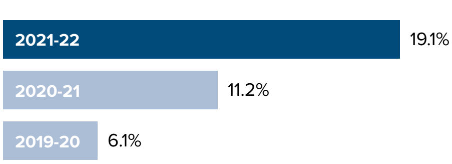
21.9% ↑ y-o-y



Net Debt[7]
₹ in Lakhs

10.7% ↑ y-o-y

RoAE[4]



1. EBITDA = PBT + Depreciation and Amortisation + Finance Cost + Loss / (profit) on Sale of Fixed Assets
2. EBITDA Margin = EBITDA / Revenue from Operations
3. Net Worth = Share Capital + Reserves and Surplus (excluding Revaluation Reserves and IndAS adjustments)
4. RoAE = PAT / [(Beginning Equity + Ending Equity) / 2]
5. Fixed Asset Turnover Ratio - Consol * = Revenue from Operations / Net Fixed Assets (adjusted for Depreciation)
6. PAT Margin = PAT / Total Revenue
7. Net Debt = Total Debt - Free Cash and cash equivalents - (Cash and bank balance-lien marked FDs-investment)

AWARDS & ACHIEVEMENTS

HARSHA WAS HONOURED WITH FOUR AWARDS FOR 2021-22

"Excellence in Corporate Citizenship & Sustainability" by Timken

"In recognition of leadership in Collaboration" by SKF

"Extraordinary Support" by Fiat India Automobiles Pvt. Ltd.

"Excellence in Continuous Business Support" by Timken

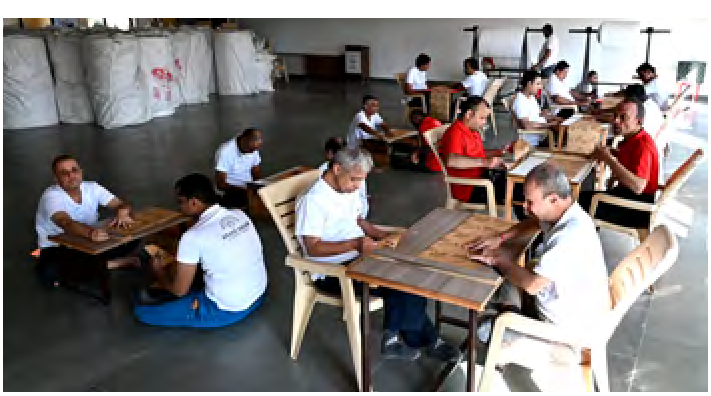
CORPORATE SOCIAL RESPONSIBILITY (CSR)

HEIL undertakes CSR initiatives which is a key function that overlays itself across all key operations of the company. These initiatives are driven by an onus of responsibility and executed with passion, with a progressive intent to satisfy the social objectives of the company.

An independent NGO - Aastha Charitable Trust for Welfare of the Mentally Challenged has successfully developed “ANAND DHAM” - a self contained Residential Complex for mentally challenged persons with aging or posthumous parents, who are concerned about their welfare and care in when they are no longer there. Anand Dham has been thought through to provide a clean, green and sanitized Environment, full of activities, training for occupational skills, medical care, a warm family atmosphere, making it easy for one to think their loved one is in safe hands for life.

In the past three financial years Harsha group has contributed ₹ 3.99 crores towards CSR initiatives and firmly believes that these outreach programs are needed for the greater good.

LAYOUT OF ANAND DHAM



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rajendra Shah	-	Chairman & Whole-time Director
Shri Harish Rangwala	-	Managing Director
Shri Vishal Rangwala	-	CEO & Whole-time Director
Shri Pilak Shah	-	COO & Whole-time Director
Ms. Hetal Ukani	-	Whole-time Director
Shri Ambar Patel	-	Independent Director
Dr. Bhushan Punani	-	Independent Director
Prof. (Dr.) Neharika Vohra	-	Independent Director
Shri Ramakrishnan Kasinathan	-	Independent Director
Shri Kunal Shah	-	Independent Director

VICE PRESIDENT - FINANCE & GROUP CHIEF FINANCIAL OFFICER

Shri Maulik Jasani

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Shri Kiran Mohanty

AUDITORS

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

BANKERS

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

REGISTERED / CORPORATE OFFICE / WORKS 1

NH-8A, Sarkhej-Bavla Highway, Changodar,
Ahmedabad-382213, Gujarat, India.
Tel. : 91-2717-618200 Fax : 91-2717-618259
Email-Id : sec@harshaengineers.com
Website : www.harshaengineers.com
CIN : U29307GJ2010PLC063233

WORKS 2

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

CONTENTS

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Company will be held on Monday July 18, 2022 at the Registered Office of the Company situated at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213, Gujarat, India at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt
   a. The Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2022 the reports of Board of Directors and Auditor's thereon; and
   b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended on March 31, 2022 and the report of Auditor's thereon.
2. To Appoint a Director in place of Shri. Vishal Rangwala (DIN:02452416), who retired by rotation, being eligible for re-appointment and offers himself for the same.
3. To Appoint a Director in place of Shri. Pilak Shah (DIN:00407960), who retired by rotation, being eligible for re-appointment and offers himself for the same.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Kiran J. Mehta & Co., Cost Accountants (FRN : 000025), recommended by Audit Committee, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2023 amounting to Rs. 235,000/- (Rupees Two Lakh Thirty Five Thousand Only) plus applicable tax, if any and out of pocket expenses at actual, be and are hereby ratified and confirmed."

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

   "**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read together with Schedule V of the said Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, consent of the shareholders be and is hereby accorded for the payment of commission to the following directors of the Company in addition to the salary / remuneration paid for the financial year ending on March 31, 2022.

Particulars	Amount (in Rs.)
Shri Rajendra Shah	30,00,000
Shri Harish Rangwala	30,00,000
Shri Vishal Rangwala	120,00,000
Shri Pilak Shah	90,00,000
Ms. Hetal Ukani	30,00,000
Total	**300,00,000**

   RESOLVED FURTHER THAT the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution including necessary filings with and / or obtaining approvals of the concerned regulatory authorities in connection therewith to give effect to the above resolution and issue certified true copies of these resolutions.

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

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

   1. Harsha Precision Bearing Components (China) Co. Ltd.
   2. Harsha Engineers BV
   3. Harsha Engineers Europe SRL
   4. HASPL Americas Corporation
   5. Cleanmax Harsha Solar LLP
   6. Sunstream Green Energy One Private Limited

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

   RESOLVED FURTHER THAT the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution including necessary filings with and / or obtaining approvals of the concerned regulatory authorities in connection therewith to give effect to the above resolution and issue certified true copies of these resolution.

May 20, 2022

By order of Board of Directors

RAJENDRA SHAH
Chairman &
Whole-Time Director
DIN : 00061922

Registered Office:
NH-8A, Sarkhej-Bavla Highway, Changodar,
Ahmedabad-382213, Gujarat, India.
Tel. : 91-2717-618200 Fax : 91-2717-618259
Email-Id : sec@harshaengineers.com
Website : www.harshaengineers.com
CIN : U29307GJ2010PLC063233

NOTES:

The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no 4 to 6 as stated above is annexed hereto.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

ITEM NO. 4

The Board of Directors, at its meeting held on May 20, 2022, upon the recommendation of Audit Committee, approved the appointment of M/s. Kiran J. Mehta & Co. (FRN : 000025), Cost Accountants as Cost Auditors of the Company for conducting Cost Audit of the Company for the Financial Year ending on March 31, 2022 at a remuneration of Rs. 235,000/- (Rupees Two Lakh Thirty Five Thousand Only) plus applicable tax, if any and out of pocket expenses at actual.

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

Accordingly, consent of the members are sought for passing an Ordinary Resolution as set out in Item No. 4 of the notice for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel and / or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the notice.

The Board recommends the Resolution under Item No. 4 of the notice for approval of the Members as an Ordinary Resolution.

ITEM NO. 5

The Board based on the recommendation of the Nomination & Remuneration Committee, have proposed for the payment of Commission to the following Directors in addition to the Remuneration / Salary paid for the financial year ending on March 31, 2022 considering the performance, contribution and other parameters as the Board may decide.

Particulars	Amount (in Rs.)
Shri Rajendra Shah	30,00,000
Shri Harish Rangwala	30,00,000
Shri Vishal Rangwala	120,00,000
Shri Pilak Shah	90,00,000
Ms. Hetal Ukani	30,00,000
Total	**300,00,000**

The Board therefore submit the resolution for your consideration and recommends it to be passed as a special resolution set out at the Item no. 5 of the notice for approval by the shareholders.

Directors, Key Managerial Personnel and their relatives may be interested, financially or otherwise, in the resolution set out in Item No. 5 of the notice.

ITEM NO. 6

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

1. Harsha Precision Bearing Components (China) Co. Ltd.
2. Harsha Engineers BV
3. Harsha Engineers Europe SRL
4. HASPL Americas Corporation
5. Cleanmax Harsha Solar LLP
6. Sunstream Green Energy One Private Limited

i) Purpose : General Business / Corporate Purpose
ii) Amount of loan : Which shall not exceeding Rs. 1200 Crores.
iii) Rate of Interest : as prescribed in provisions of Section 185 of Companies Act.
iv) Terms of Repayment : As may mutually decide by the parties

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

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

The Board recommends the resolution set out at Item No. 6 of the accompanying Notice for your approval as special resolution.

May 20, 2022

By order of Board of Directors

RAJENDRA SHAH
Chairman &
Whole-Time Director
DIN : 00061922

Registered Office:
NH-8A, Sarkhej-Bavla Highway, Changodar,
Ahmedabad-382213, Gujarat, India.
Tel. : 91-2717-618200 Fax : 91-2717-618259
Email-Id : sec@harshaengineers.com
Website : www.harshaengineers.com
CIN : U29307GJ2010PLC063233

BOARD'S REPORT

To,

The Members,

The Board of Directors are pleased to present the 12th Annual Report together with the Audited Annual Accounts of Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) for the Financial Year ended on March 31, 2022.

FINANCIAL RESULTS

The standalone and consolidated performance during the Financial Year ended on March 31, 2022 has been as under:

₹ (in Lakhs)

Particulars	Standalone		Consolidated	
	For the year Ended March 31, 2022	For the year Ended March 31, 2021	For the year Ended March 31, 2022	For the year Ended March 31, 2021
Revenue from Operations	**95,645**	**58,204**	**132,148**	**87,376**
Profit Before Depreciation and Tax	16,261	6,869	16,199	9,482
Less : Depreciation	1,962	1,728	3,536	3,411
Profit for the year before taxation	**14,299**	**5,141**	**12,663**	**6,071**
Provision for Taxation:				
Less : Current Year Tax	3,325	-	3,325	-
Less : Deferred Tax	366	1,343	143	1,528
Profit after taxation	**10,608**	**3,798**	**9,195**	**4,543**
Add : Other Comprehensive income for the year	144	515	144	515
Total Comprehensive income for the year	**10,752**	**4,313**	**9,339**	**5,058**

PERFORMANCE AND OPERATION REVIEW

CONSOLIDATED

Your Company has achieved revenue of Rs. 132,148 Lakhs for the year ended March 31, 2022, a increase of 51% as compared to Rs. 87,376 Lakhs in the previous year.

Profit after tax (PAT) for the year ended March 31, 2022 was Rs. 9,195 Lakhs, increase of 102% as against Rs. 4,543 Lakhs in the previous year.

Basic earnings per share (EPS) for the year ended March 31, 2022 was Rs. 16.06 as against Rs. 9.09 in the previous year.

Diluted earnings per share (EPS) for the year ended March 31, 2022 was Rs. 16.06 as against Rs. 5.88 in the previous year.

STANDALONE

Your Company has achieved revenue of Rs. 95,645 Lakhs for the year ended March 21, 2022, increase of 64 % as compared to Rs. 58,204 Lakhs in the previous year.

Profit after tax (PAT) for the year ended March 21, 2022 was Rs. 10,608 Lakhs, increase of 179% as against Rs. 3,798 Lakhs in the previous year.

Basic earnings per share (EPS) for the year ended March 21, 2022 was Rs. 18.53 as against Rs. 7.60 in the previous year.

Diluted earnings per share (EPS) for the year ended March 21, 2022 was Rs. 18.53 as against Rs. 4.92 in the previous year.

SIGNIFICANT ACTIVITIES IN FINANCIAL YEAR 2021-22

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

1 Consolidated the engineering business and solar EPC business under a single entity pursuant to the Scheme approved by the National Company Law Tribunal, Ahmedabad Bench

2. Filing of Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on February 3, 2022#

3. Leadership in Collaboration award received from SKF

4. Gold Winner Renovative Category 41st CII National Kaizen Competition award received from Confederation of Indian Industry

5. Platinum Winner Breakthrough Category 41st CII National Kaizen Competition award received from Confederation of Indian Industry

#DRHP approved by SEBI by issuing final observation letter dated April 30, 2022 which is valid for 12 month from the date of issuance of observation letter.

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

During the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), vide its Order dated December 23, 2021 approved the Composite Scheme of Amalgamation and Arrangement ("the Scheme" or "Business Reorganization Scheme ") as per below manner:

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

The appointed date of the Scheme was April 1, 2020. The Scheme became effective from December 24, 2021 upon filing of the certified copy of order with Registrar of Companies, Ahmedabad.

CONSIDERATION GIVEN BY THE TRANSFEROR COMPANY 3 / TRANSFEREE COMPANY 1 TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANY 1

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

CONSIDERATION GIVEN BY THE TRANSFEROR COMPANY 3 / TRANSFEREE COMPANY 1 TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANY 2

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

CONSIDERATION GIVEN BY THE TRANSFEREE COMPANY 2 TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANY 3 / TRANSFEREE COMPANY 1

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

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

CONSIDERATION GIVEN BY THE TRANSFEREE COMPANY 2 TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANY 4

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

SCHEME OF AMALGAMATION OF HARSHA ENGINEERS BV WITH THE COMPANY

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

The Company is holding 100% of the equity shares of the HEBV. Accordingly, pursuant to amalgamation of HEBV. with the Company on the appointed date as per Scheme of Amalgmation-2, equity shares held by the Company in HEBV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted.

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

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

CHANGE OF NAME OF THE COMPANY

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal, Ahmedabad bench vide its order December 23, 2021 and became effective from December 24, 2021, name of the Company has been changed to Harsha Engineers International Private Limited as approved by Registrar of Companies, Gujarat ("ROC") after making required amendments to its Memorandum and Articles of Association. ROC had issued fresh certificate of incorporation on December 31, 2021.

CONVERSION OF PRIVATE COMPANY INTO PUBLIC COMPANY

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal, Ahmedabad bench vide its order dated December 23, 2021 and became effective from December 24, 2021, the Company has been converted from "Private Limited" to "Public Limited" after making required amendments to its Memorandum and Articles of Association. The Registrar of Companies, Gujarat had issued fresh certificate of incorporation on January 1, 2022. Consequent to this conversion, the name of the Company was changed from Harsha Engineers International Private Limited to Harsha Engineers International Limited.

SHARE CAPITAL

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

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

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

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

INITIAL PUBLIC OFFER

During the year under review, the Company had initiated the process of Initial Public Offer (IPO) comprises of fresh issue of shares and offer for sale. IPO has been authorized by Board pursuant to the resolution dated January 10, 2022 and by the Shareholders pursuant to a special resolution dated January 11, 2022. The IPO Committee had approved Draft Red Hearing Prospectus at its meeting held on February 3, 2022 and the same was filed with Securities and Exchange Board of India (SEBI) on February 3, 2022. The Company had applied with BSE and NSE for in-principle approval and same had been obtained from BSE on February 25, 2022 and from NSE on February 24, 2022. Further the Company had received final observation letter from SEBI on April 30, 2022 which is valid for 12 months from the date of issuance of observation letter.

DIVIDEND

The Board of Directors of the Company do not recommend any dividend on equity shares for the financial year ended on March 31, 2022.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

TRANSFER TO RESERVES

Company does not recommend transferring any amount to General Reserve for the financial year ended on March 31, 2022.

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

Pursuant to the Scheme, the Company had made application for adjudication of stamp duty order as required under Gujarat Stamp Act. Subsequently the Company has received demand notice from the office of the Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022 for the payment of stamp duty of Rs. 91,91,100 and same was paid by the Company. The Company has received the stamp adjudication order on April 28, 2022 stating the payment has been made as per section 32 of Gujarat Stamp Act.

Pursuant to the Scheme, the Company has applied with the concerned authorities for change of name or transfer of ownership in relation to the immovable properties and other registrations which is currently under process.

There have been no other material changes and commitments which affect the financial position of the Company, that have occurred between the end of financial year to which the financial statements relates and the date of this report.

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

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

Sl. No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate / Joint Venture	% of Shares held / Capital
1	**Cleanmax Harsha Solar LLP** 13, A Floor 13, Plot 400 The Peregrine Apartment, Kismat Cinema, Prabhadevi, Mumbai - 400025, Maharashtra, India.	AAE-4231	Joint Venture	50%
2	**HASPL Americas Corporation** 7480 Birdwood Avenue, Ste 1120, Mclean - 22102, Fairfax, USA.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
3	**Harsha Precision Bearing Components (China) Co., Ltd.** No. 10 Fuhua Road, Bixi Sub-district, Changshu, Jiangsu, Province, China.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
4	**Harsha Engineers BV** Strawinskylaan 937, 1077 XX Amsterdam, the Netherlands.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
5	**Harsha Engineers Europe SRL** Str. Hermann Oberth, Nr. 23, Hala 4, Parcul Industrial ICCO Ghimbav, Brasov - Romania.	Foreign Step-down Subsidiary	Step-down Subsidiary	99.999924% through HEBV
6	**Sunstream Green Energy One Private Limited** Unit No. 28C, Nand Deep Industrial Estate 2nd Floor, Kondivita Lane, J. B. Nagar, Andheri (E) Mumbai - 400059, Maharashtra, India.	U74900MH2016PTC271603	Associate	26%

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

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

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

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

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

DIRECTORS

In accordance with the provisions of Section 152 of Companies Act, 2013 read with provisions of the Articles of Association of the Company, Shri Vishal Rangwala (DIN : 02452416) CEO & Whole-time Director and Shri Pilak Shah (DIN : 00407960) COO & Whole-time Director of the Company will liable to retire by rotation at the ensuing Annual General Meeting, being eligible for re-appointment and both offer himself for the same. A brief resume and particulars relating to them are given separately under the **Annexure-B.**

During the year following changes has been made in the Board:

Sl. No.	Name of the Director	Date of Change	Appointment / Resignation / Change in Designation
1	Shri Dilip Sanghvi	December 25, 2021	Resigned as Independent Director
2	Shri Rajendra Shah	December 25, 2021	Appointment as Chairman and Whole-time Director
3	Shri Harish Rangwala	December 25, 2021	Appointment as Managing Director
4	Shri Vishal Rangwala	August 12, 2021	Appointment as Director
		December 25, 2021	Appointment as CEO and Whole-time Director
5	Ms. Hetal Ukani	August 12, 2021	Appointment as Director
		December 25, 2021	Appointment as Whole-time Director

6	Shri Pilak Shah	December 25, 2021	Appointment as COO and Whole-time Director
7	Shri Ambar Patel	January 10, 2022	Appointment as Independent Director
8	Shri Bhushan Punani	January 10, 2022	Appointment as Independent Director
9	Shri Kunal Shah	January 10, 2022	Appointment as Independent Director
10	Shri Ramakrishnan Kasinathan	January 10, 2022	Appointment as Independent Director
11	Prof. (Dr.) Neharika Vohra	January 10, 2022	Appointment as Independent Director

KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to provisions of Section 2(51) and 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as Key Managerial Personnel (KMP) of the Company as on March 31, 2022.

Sr No.	Name of KMP	Designation
1	Shri Rajendra Shah*	Chairman & Whole-time Director
2	Shri Harish Rangwala**	Managing Director
3	Shri Vishal Rangwala***	CEO & Whole-time Director
4	Shri Pilak Shah****	COO & Whole-time Director
5	Ms. Hetal Ukani*****	Whole-time Director
6	Shri Maulik Jasani******	VP Finance & Group CFO
7	Shri Kiran Mohanty*******	Company Secretary & Chief Compliance Officer

**Shri Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from December 25, 2021.*
***Shri Harish Rangwala is appointed as Managing Director of the Company with effect from December 25, 2021.*
****Shri Vishal Rangwala is appointed as Director of the company with effect from August 12, 2021 and appointed as CEO and Whole time Director of the Company with effect from December 25, 2021.*
*****Shri Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from December 25, 2021.*
******Shri Hetal Ukani is appointed as Director of the company with effect from August 12, 2021 and appointed as Whole time Director with effect from December 25, 2021.*
*******Shri Maulik Jasani is appointed as VP Finance & Group CFO of the Company with effect from December 25, 2021.*
********Shri Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from August 12, 2021.*

Note: Designation of Shri Falgun Shah has been changed from Chief Financial Officer to Head of Finance & Accounts - Solar EPC Division with effect from December 25, 2021.

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

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 12 times during the Financial Year 2021-22. All the Board Meetings were held as per Section 173 of Companies Act, 2013 with all the relevant rules & regulations related to that and also Secretarial Standard -1 (Board Meeting) is duly complied with. The dates on which the meetings were held are as follows:

No. of Board Meeting Held	Date of the Board Meeting	Name of Directors who attended the meeting
1	May 7, 2021	All the Directors were present
2	June 7, 2021	All the Directors were present
3	August 12, 2021	All the Directors were present
4	September 10, 2021	All the Directors were present
5	November 2, 2021	All the Directors were present
6	December 24, 2021	All the Directors were present
7	December 25, 2021	All the Directors were present
8	December 29, 2021	All the Directors were present
9	January 1, 2022	All the Directors were present
10	January 6, 2022	All the Directors were present
11	January 10, 2022	All the Directors were present
12	January 29, 2022	All the Directors were present

INDEPENDENT DIRECTORS

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

AUDIT COMMITTEE

The Company had been converted into Public Limited Company with effect from January 1, 2022 and also initiated the process of IPO, therefore it was required to constitute Audit Committee under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulation") Therefore the Board by passing resolution in its meeting held on January 10, 2022, constituted Audit Committee in pursuance to Section 177 of the Companies Act 2013 and the Listing Regulations. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Kunal Shah	Chairman
2.	Dr. Bhushan Punani	Member
3.	Shri Ambar Patel	Member
4.	Shri Rajendra Shah	Member

The scope and function of the Audit Committee was in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

After constitution, there was no Committee Meeting held upto the end of financial year 2021-22.

NOMINATION AND REMUNERATION COMMITTEE

The Company had been converted into Public Limited Company with effect from January 1, 2022 and also initiated the process of IPO, therefore it was required to constitute Nomination and Remuneration Committee under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore the Board by passing resolution in its meeting held on January 10, 2022, constituted Nomination and Remuneration Committee in pursuance to Section 178 of the Companies Act, 2013 and the Listing Regulations. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Ambar Patel	Chairman
2.	Prof. (Dr.) Neharika Vohra	Member
3.	Shri Kunal Shah	Member

The scope and function of the Nomination and Remuneration Committee was in accordance with Section 178 of the Companies Act and the Listing Regulations.

After constitution, there was no Committee Meeting held upto the end of financial year 2021-22.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board by passing resolution in its meeting held on January 10, 2022, constituted Stakeholders Relationship Committee in pursuance to Section 178 of the Companies Act, 2013 and the Listing Regulations. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Ambar Patel	Chairman
2.	Shri Ramakrishnan Kasinathan	Member
3.	Shri Vishal Rangwala	Member

The scope and function of the Stakeholders Relationship Committee was in accordance with Section 178 of the Companies Act and the Listing Regulations.

After constitution, there was no Committee Meeting held upto the end of financial year 2021-22.

IPO COMMITTEE

The IPO Committee was constituted by our Board at their meeting held on January 10, 2022. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Kunal Shah	Chairman
2.	Shri Rajendra Shah	Member
3.	Shri Vishal Rangwala	Member
4.	Shri Pilak Shah	Member

After constitution, there were two (2) meetings held by Committee upto the end of financial year 2021-22.

MANAGEMENT COMMITTEE

The Management Committee was constituted by our Board at their meeting held on January 10, 2022. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Rajendra Shah	Chairman
2.	Shri Harish Rangwala	Member
3.	Shri Vishal Rangwala	Member
4.	Shri Pilak Shah	Member
5.	Ms. Hetal Ukani	Member

After constitution, there were two (2) meetings held by Committee upto the end of financial year 2021-22.

RISK MANAGEMENT COMMITTEE

The Board by passing resolution in its meeting held on January 10, 2022, constituted Risk Management Committee under the provision of the Listing Regulations. The Committee consists of following members:

No.	Name of Directors	Designation
1.	Shri Rajendra Shah	Chairman
2.	Shri Pilak Shah	Member
3.	Shri Kunal Shah	Member
4.	Shri Ramakrishnan Kasinathan	Member
5.	Shri Vishal Rangwala	Member

The scope and function of the Risk Management Committee was in accordance with the Listing Regulations.

After constitution, there was no Committee Meeting held upto the end of financial year 2021-22.

RISK MANAGEMENT POLICY

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

Key Risk	Impact to the Company	Mitigation Plans
Commodity Price Risk	Risk of Price Fluctuation on basic raw material used in process of manufacturing process and purchases of trading items and their related Services.	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also in engineering business by focusing on new value added product helps in lowering the impact of price fluctuation in inventory.
Interest Rate Risk	Any increase in interest rate can affect the finance cost.	The Company has been managing the interest rate risk with the help of reduction in dependency on fluctuating interest rate loans.
Foreign Exchange Risk	The Company imports various materials. Any volatility in the currency market can impact the overall profitability.	The company is tracking currency fluctuation on regular basis to take timely and necessary steps to hedge open position on foreign currency transactions.
Human Resource Risk	The Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Non-availability of the required talent resource can affect the overall performance of the Company.	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place performance incentives on time bound basis and evaluating the performance at each stage of work helps to mitigate this risk.
Competition Risk	The Company is always exposed to competition Risk. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company by focusing on design, quality, cost, timely delivery, market share enhancement and customer service to mitigate the risks so involved.
Compliance Risk - Increasing Regulatory Requirements	Any default can attract penal provisions.	By regularly monitoring and review of changes in regulatory framework. Also by monitoring & reporting of compliance periodically.
Industrial Safety	The industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.	By development and implementation of critical safety standards across the various project locations, establishing training need identification at each level of employees helps to mitigate the risk so involved.

DEPOSITS

During the year the Company has accepted deposits under the provisions of the Companies Act, 2013, details of which are given below:

₹ (in Lakhs)

Particulars	Deposits
Deposits at the beginning of the financial year	
i) Principal Amount	661
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	**661**
Change in Deposits during the financial year	
• Addition	2,300
• Reduction	661
Net Change	**1,639**
Deposits at the end of the financial year	
i) Principal Amount	2,300
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	**2,300**

RELATED PARTY TRANSACTION

All Related Party Transactions that were entered into during the Financial Year 2021-22 were on an arm's length basis and were in the ordinary course of business.

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

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

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, 2022 in the prescribed form no. MGT-7 is available on the Company's website at www.harshaengineers.com

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

AUDITORS AND AUDITORS' REPORT

I. Statutory Auditor

M/s. Pankaj R. Shah & Associates, Chartered Accountants (FRN:107361W) was appointed as Statutory Auditor of the Company for a period of five consecutive years from the conclusion of 11th Annual General Meeting until the conclusion of the 16th 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.

II. Cost Auditor

M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (FRN : 000025) were appointed as Cost Auditors to carry out the audit of cost records of the Company for the financial year ending March 31, 2022.

III. Secretarial Auditor

M/s. Chirag Shah & Associates, Company Secretaries, Ahmedabad were appointed as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year ending March 31, 2022.

According to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is enclosed as a part of this report **Annexure-D**.

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

IV. Internal Auditor

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

INSURANCE

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

CREDIT RATING

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

The Company has been awarded "CARE A+; Stable, revised from CARE BB and removed from Credit Watch with Positive Implications for its long term bank facilities of Rs. 127.19 crores.

The Company has been assigned "CARE A+; Stable / CARE A1+ for its long-term / short-term bank facilities of Rs. 270.00 crores.

The Company has been awarded "CARE A+Stable / CARE A1+, revised from CARE BB / CARE A4 and removed from Credit Watch with Positive Implications for its long term / short term bank facilities of Rs. 99.87 crores.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder your Company has adopted a policy for CSR and the Board has constituted a committee for implementing the CSR activities.

However, the Company has been converted into Public Limited Company with effect from January 1, 2022 and thereby it was required re-constitute the committee as per provision of Section 135 of the Companies Act, 2013. Composition of the re-constituted Committee and other details are disclosed in the "**Annexure- F**" to this Report.

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 Rs. 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of Rs. 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-G**" to this Report.

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

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

A 'Prevention of Sexual Harassment' (POSH) policy is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH policy is communicated to all employees of the Company. During the year 2021-22, no complaints in respect of the same has been received by the Company.

VIGIL MECHANISM / WHISTLE BLOWER

Pursuant to the provisions of Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 the Company has framed and adopted vigil mechanism policy to deal with instance of fraud and mismanagement, if any. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns.

INTERNAL FINANCIAL CONTROLS

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

The Statutory Auditor of your Company has also given an opinion that the Internal Financial Controls over Financial Reporting are adequate and are operating effectively during 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-G** forms part of this Report.

ACKNOWLEDGEMENT

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

Registered Office:
NH-8A, Sarkhej-Bavla Highway, Changodar,
Ahmedabad - 382213, Gujarat, India.
CIN : U29307GJ2010PLC063233
Email ID : sec@harshaengineers.com
Website : www.harshaengineers.com

By order of Board of Directors

RAJENDRA SHAH	**HARISH RANGWALA**
Chairman & Whole-time Director	Managing Director
DIN:-00061922	DIN:-00278062
May 20, 2022	May 20, 2022

BOARD'S REPORT ANNEXURE - A

FORM NO. AOC-1 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES COMPANIES / JOINT VENTURES

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

₹ (in Lakhs)

Name of Subsidiary	Reporting period for the concerned subsidiary company, if different from that of holding company reporting period	Reporting currency and exchange rate as on the last date of relevant financial year in case of foreign subsidiary companies		Share Capital	Reserve & Surplus	Total Assets	Total Liabilities (Excluding Share Capital & Reserves and Surplus)	Investments	Turnover*	Profit / (Loss) Before Tax (*)	Provision for Tax(*)	Profit / (Loss) After Taxation (*)	% of Share Holding / Capital Contribution
		Currency	Exchange Rate										
Sunstream Green Energy One Private Limited	N.A.	INR	N.A.	1	192	1,041	848	138	7	3	1	2	26%
Cleanmax Harsha Solar LLP	N.A.	INR	N.A.	1,289	-	1,386	97	-	309	12	-	12	50%
HASPL Americas Corporation	N.A.	USD	74.0487	67	(67)	-	-	-	-	0	-	0	100%
Harsha Precision Bearing Components (China) Co., Ltd.	N.A.	RMB	11.9693 (For B/S) / 11.6114 (For P&L)	16,079	(8,531)	15,390	7,841	-	10,500	(138)	(162)	24	100%
Harsha Engineers B.V	N.A.	EUR	83.9853 (for B/S) / 86.5754 (For P&L)	14,167	(443)	13,724	-	13,716	175.44	16	-	16	100%
Harsha Engineers Europe SRL	N.A.	RON	17.0070 (for B/S) 17.5488 (For P&L)	4,487	(3,558)	10,128	9,199	-	26,607	(1,524)	-	(1,524)	99.999924% by Harsha Engineers BV

Notes:

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

BOARD'S REPORT ANNEXURE - B

PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN 12TH ANNUAL GENERAL MEETING

Name	**Vishal Rangwala**
Father Name	Harish Rangwala
Date of Birth	27/11/1977
Director Identification Number	02452416
Qualification	B.E. (Mechanical), Pune University, Master of Science Engineering Management, University of Southern California
Occupation	Business
Association	Appointed as a Director in the company w.e.f. August 12, 2021
Designation	CEO & Whole-time Director
Shareholding in the Company	7,769,829 Equity Shares (10.06%)
Directorship	Harsha Engineers International Limited (Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
	Hues Hub Online Private Limited
	First Light Asset Management Private Limited
	Daylight Solar Power Private Limited
	Harsha Engineers BV, Netherland
	Harsha Precision Bearing Components (China) Co., Ltd.
	Advantterra Capital Management LLP
	Harsha Renewable Energy Private Limited*

*The Company was dissolved on April 6, 2022.

Name	**Pilak Shah**
Father Name	Rajendra Shah
Date of Birth	18/12/1981
Director Identification Number	00407960
Qualification	B.E. (Mechanical), Nirma Institute of Technology, Master of Integrated Mfg. System, North Carolina State University
Occupation	Business
Association	Appointed as a Director in the company w.e.f. February 5, 2016
Designation	COO & Whole-time Director
Shareholding in the Company	7,698,281 Equity Shares (9.97%)
Directorship	Harsha Engineers International Limited (Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
	Harsha Precision Bearing Components (China) Co., Ltd.
	Harsha Engineers BV, Netherland
	Harsha Engineers Europe SRL, Romania
	Harsha Renewable Energy Private Limited*

*The Company was dissolved on April 6, 2022.

BOARD'S REPORT ANNEXURE - C

RELATED PARTY TRANSACTIONS
FORM AOC-2

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

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

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

Name of Related Party & Nature of Relationship	**HARSHA PRECISION BEARING COMPONENTS (CHINA) CO., LTD. (SUBSIDIARY COMPANY)**
Nature of contracts / arrangements / transactions	Purchase and Sale of Goods, Service or Materials, Loan & Interest Income
Duration of Contracts / arrangements / transactions	On Ongoing basis
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**HARSHA ENGINEERS BV (SUBSIDIARY COMPANY)**
Nature of contracts / arrangements / transactions	Investment / Loan
Duration of Contracts / arrangements / transactions	On Ongoing basis
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**HARSHA ENGINEERS EUROPE SRL (STEP-DOWN SUBSIDIARY)**
Nature of contracts / arrangements / transactions	Purchase and Sale of Goods, Service or Materials and Reimbursement
Duration of Contracts / arrangements / transactions	On ongoing basis
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**CLEANMAX HARSHA SOLAR LLP (JOINT VENTURE)**
Nature of contracts / arrangements / transactions	Sale of Goods, Reimbursement Expense, Share Profit from LLP
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**DIRECTORS AND THEIR RELATIVES**
Nature of contracts / arrangements / transactions	Unsecured loan / Deposit including interest / Remuneration / Sitting Fee / Sale
Duration of Contracts / arrangement / transactions	On Ongoing basis
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**KMP AND THEIR RELATIVES**
Nature of contracts / arrangements / transactions	Loan and Advance / Car lease / Interest / Remuneration
Duration of Contracts / arrangements / transactions	On ongoing basis
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**CREST CREATIVE UNIT**
Nature of contracts / arrangements / transactions	Purchase and Sale of Goods, Service or Materials
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-

Name of Related Party & Nature of Relationship	**SUNSTREAM GREEN ENERGY ONE PRIVATE LIMITED**
Nature of contracts / arrangements / transactions	Investment, Profit from LLP
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**AASTHA CHARITABLE TRUST FOR WELFARE MENTALLY CHALLENGED**
Nature of contracts / arrangements / transactions	Purchase and Sale of Goods, Service or Materials or CSR
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**HARSHA ABAKUS SOLAR PVT. LTD. - EMP. GROUP GRATUITY SCHEME**
Nature of contracts / arrangements / transactions	Contribution
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**HARSHA ENGINEERS LTD. - GROUP GRATUITY SCHEME**
Nature of contracts / arrangements / transactions	Contribution
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**AASTHA TOOLS PVT LTD - GROUP GRATUITY SCHEME**
Nature of contracts / arrangements / transactions	Contribution
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**HARSHA RENEWABLE ENERGY PRIVATE LIMITED***
Nature of contracts / arrangements / transactions	Loans Given / Repayment
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**DAYLIGHT SOLAR PRIVATE LIMITED**
Nature of contracts / arrangements / transactions	Loans Given / Repayment
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-
Name of Related Party & Nature of Relationship	**FIRST LIGHT ASSET MANAGEMENT PRIVATE LIMITED**
Nature of contracts / arrangements / transactions	Loans Given / Repayment
Duration of Contracts / arrangements / transactions	-
Salient terms of the contracts / arrangement / transactions including the value, if any	Any contracts / arrangement / transactions entered into by the Company in its ordinary course of business are made at arm's length basis
Date(s) of approval by the Board	December 25, 2021
Amount paid as advance, if any	-

*The Company was dissolved on April 6, 2022.

BOARD'S REPORT ANNEXURE - D

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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 INTERNATIONAL LIMITED
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
CIN : U29307GJ2010PLC063233
NH-8A, Sarkhej-Bavla Highway,
Changodar, Ahmedabad - 382213

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HARSHA ENGINEERS INTERNATIONAL LIMITED (Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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 March 31, 2022 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;

(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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 : Not Applicable to the company during the Audit period;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 : Not Applicable to the company during the Audit period;

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

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 : Not Applicable to the company during the Audit period;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 : Not Applicable to the company during the Audit period;

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

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 : Not Applicable to the company during the Audit period;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : Not Applicable to the company during the Audit period; and

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

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

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

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

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

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

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

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

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

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

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

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

We further report that, during period of the audit, company has filed a petition the scheme of amalgamation ("Scheme of Amalgamation-2") of Harsha Engineers BV (HEBV) with the Company and their respective shareholders and creditors in accordance with the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules and regulations made thereunder with The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT").

The HEBV is the wholly owned subsidiary of the Company. Accordingly, pursuant to amalgamation of HEBV with the Company on the appointed date as per Scheme of Amalgmation-2, equity shares held by the Company in HEBV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. As of now the Scheme of Amalgamation-2 is under process at NCLT for their approval.

We further report that the Company has filed Draft Red Herring Prospectus with SEBI on February 3, 2022 and same was approved by SEBI by issuing observation letter dated April 30, 2022.

Place : Ahmedabad
Date : May 20, 2022

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
UDIN : F005545D000355281
Peer Review Cer. No.: 704/2020

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 INTERNATIONAL LIMITED
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Disclaimer

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

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

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
UDIN: F005545D000355281

Place : Ahmedabad
Date : May 20, 2022

BOARD'S REPORT ANNEXURE - E

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

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

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

1. **Steps taken or impact on conservation of energy**
   Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company is undertaking such production process that results into very minor pollutant emissions. Various energy efficient practices have been implemented that have reduced the pollutant emissions and strengthened the Company's commitment towards becoming an environment friendly organization.
2. **Steps taken by company for utilising alternate source of energy**
   The Company has already developed its own solar power projects with 1 MW capacity and wind mill project with 1.25 MW capacity to utilise the energy generated through it as an alternate source of energy resource.
3. **Capital investment on energy conservation equipment's**
   In FY 2018-2019 the Company has installed and commissioned 720 KW and 854.8 KW Capacity Rooftop Solar Plant at Changodar and Moraiya Plant respectively.

B. Form for disclosure of particulars with respect to absorption

I. Technology, absorption, adaptation and innovation

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

   Products and processes developed through in-house activities have been internally absorbed by the manufacturing units for commercialization.
2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.**

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

C. Foreign Exchange Earning and Outgo

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

   Management has taken various initiatives to increase the exports and the development of the new markets for the products of the company.
2. **Foreign Exchange earned and used**

   Foreign Exchange inflow and outflow by the company during the year amounts to Rs. 46,558 Lakhs and Rs. 7,320 Lakhs respectively.

BOARD'S REPORT ANNEXURE - F

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

(i) CSR Policy & Philosophy

Corporate Social Responsibility ("CSR") is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. The Company commits itself to contribute to the society in ways possible for the organization.

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

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

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

Detailed CSR policy is available on https://www.harshaengineers.com

(ii) Corporate Social Responsibility Committee (CSR Committee)

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, the Board shall constitute the CSR Committee with three or more directors, out of which at least one Director shall be an Independent Director. The CSR committee re-constituted by Board at their meeting held on January 10, 2022.

The Committee comprises the following members:

Name of Directors	Designation
Shri Rajendra Shah	Chairman
Shri Harish Rangwala	Member
Shri Bhushan Punani	Member

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

- The composition of the CSR committee is available on our website, https://www.harshaengineers.com
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, https://www.harshaengineers.com

(iv) Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: **Rs. 331.82 Lakhs**

(v) CSR Budget and Obligation

a. Prescribed CSR Expenditure (2% of the average net profit of the Company of preceding three financial years as per section 135(5)	Rs. (7.86) Lakhs
b. Surplus arising out of the CSR projects or programs or activities of the previous financial year	NIL
c. Amount required to be set-off for the financial year, if any	NIL
d. Total CSR obligation for the financial year (a+b-c)	NIL

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

Total amount spent for the F.Y. 2021-22	The Company was not required to spend on CSR activities for FY 2021-22 in accordance with provisions of section 135(5) of Companies Act 2013. Therefore, the Company did not spend on CSR activities during FY 2021-22.
Amount unspent, if any;	
Total amount transferred to Unspent CSR Account as per Section 135(6)	
Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	

(vii) Amount spent in Administrative Overheads : NIL

(viii) Amount spent on Impact Assessment, if applicable : NIL

(ix) Total amount spent for the financial year : Not Required

(x) Excess amount for set off, if any : Rs. 331.82 Lakhs

(xi) Details of Unspent CSR amount for the preceding three financial years : NIL

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

BOARD'S REPORT ANNEXURE - G

PARTICULARS OF EMPLOYEES

Persuant 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 Rs. 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of Rs. 8.5 lakh or more per month and Top 10 employees in terms of remuneration drawn during the year

₹ (in Lakhs)

Sl. No.	Employee Name	Designation	Education Qualification	Age	Experience (in years)	Date of Joining	Remuneration in fiscal 2022
1	Shri Vishal Rangwala	CEO & Whole-time Director	Master of Science Engineering Management, University of Southern California, B.E (Mechanical), Pune University	44	15	03/09/2007	179.51*
2	Shri Pilak Shah	COO & Whole-time Director	Master of Integrated Mfg. System, North Carolina State University, B.E. (Mechanical), Nirma Institute of Technology	40	16	03/01/2006	149.51*
3	Shri Rajendra Shah	Chairman & Whole time Director	B.E. in Mechanical Engineering, Morbi	74	35	04/03/1986	68.50*
4	Shri Harish Rangwala	Managing Director	B.E. in Mechanical Engineering, Morbi	73	35	04/03/1986	68.50*
5	Ms. Hetal Ukani	Whole time Director	B.E. in Mechanical Engineering, Master of Technology in Design	46	7	21/11/2019	62.38*
6	Shri Shaji Jacob	Sr. Vice President (Manufacturing)	Diploma in Mechanical Engineering	57	33	11/06/2010	60.39
7	Shri Maulik Jasani	Vice President - Finance & Group CFO	CA, CS, ICWA, M.COM, B.COM	37	17	26/11/2018	54.80
8	Shri Ajaipal Tomer	Senior General Manager (Mfg.)	PGDBM, B.Tech, DME	55	34	08/08/2019	50.78
9	Shri Falgun Shah	Head of Finance & Accounts - Solar Division	CA, CFP	39	16	14/04/2012	49.28
10	Shri Raajkumar Tarwani	Senior General Manager (HR & Admn.)	B.Sc., LLB, PGHRD, IRPM, DLP	57	33	07/05/2013	48.12

*inclusive of Managerial Remuneration payable for financial year ended March 31, 2022 as approved by the Board at their held on May 20, 2022 subject to the consent of members in the ensuing Annual General Meeting.

Note:
The details of remuneration in the above table are given on accrual basis.

INDEPENDENT AUDITORS' REPORT

To,

The Members of
HARSHA ENGINEERS INTERNATIONAL LIMITED
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of **HARSHA ENGINEERS INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement, Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note no. 32.6 in the accompanying standalone Ind AS Financial Statements which describes a composite scheme of amalgamation and arrangement involving inter alia the company and the related accounting treatment in respect of a common control business combination in accordance with certified order of the National Company Law Tribunal dated December 23, 2021 approving the same. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on December 24, 2021, being the effective date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material misstatement of the Ind AS Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicate in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('The Order') issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the **Annexure - A**, a statement on the matter specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity, and the cash flow statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in **Annexure - B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

      i. The Company has no pending litigations which can significantly impact its financial position.

      ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

      iii. The company is not required to transfer any amount to the Investor Education and Protection fund.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

CA Chintan Shah
Partner
(Membership No.: 110142)
UDIN : 22110142AJHWLU1710
Place : Ahmedabad
Date : May 20, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL LIMITED

(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE IND AS FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2022:

1. In respect of its Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company. However pursuant to scheme of amalgamation and arrangement, legal titles of some of the immovable properties are in the process of being transferred in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. In respect of its Inventories:

(a) The management has conducted the physical verification of inventory at reasonable intervals.

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

(c) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year on the basis of security of current assets; the quarterly statements filed by the company with such banks are in agreement with the books of account of the Company.

3. According to the information and explanations given to us, the Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no amount overdue for more than ninety days in respect of loans granted to such companies.

(d) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

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

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

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

7. In respect of Statutory Dues:

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, GST and other statutory dues applicable to it.

(b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Wealth tax, Service tax, Custom Duty, Excise Duty, cess, GST and any other statutory dues, which have not been deposited on account of any dispute, and the particulars of dues of Income tax and Sales Tax as at March 31, 2022 which have not been deposited on account of a disputed, is as follows:

Name of Statute	Nature of dues	Period to which amount relates	Amount Involved (Tax including interest)	Amount Unpaid (Tax including interest)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	F.Y 2012-13	6,27,10,500	2,04,23,180	High Court
Income Tax Act, 1961	Income Tax	F.Y 2013-14	6,64,63,860	5,31,63,860	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2015-16	10,72,76,220	8,58,21,220	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2016-17	9,26,21,463	7,40,97,463	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2017-18	17,29,671	17,29,671	Appeal Stage
Income Tax Act, 1961	Income Tax	F.Y 2017-18	2,60,88,617	26,99,670	Appeal Stage
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2012-13 to F.Y.2017-18	82,244	82,244	High Court
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2012-13 to F.Y.2017-18	38,689	38,689	High Court
Central Excise Act, 1944 and Service Tax	Short Paid of Excise duty at the time of De Bonding of EOU	F.Y.2007-08 to F.Y.2008-09	32,94,409	32,94,409	Adjudication Pending with CESTAT
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2015-16 to F.Y.2017-18	6,58,670	6,58,670	Interim SCN reply filed
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	F.Y.2015-16 to F.Y.2017-18	64,81,233	64,81,233	Adjudication pending with Commissioner (Appeal)

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or any lender. During the year, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures, except from Banks and its Directors.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) On the basis of review of utilization of funds pertaining to term loans on an overall basis and related information made available to us, the term loans taken by the Company have been applied for the purpose for which they are obtained.

(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) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

11. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) Reporting on whistle blower committee is not applicable to company, as it is an unlisted company.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause3 (xii) of the Order are not applicable to the Company.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Ind AS.

14. (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 internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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

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

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) As there is no unspent amount towards Corporate Social Responsibility (CSR) at the end of previous financial year, the provision of section 135(6) of the Companies Act, 2013 is not applicable.

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

CA Chintan Shah
Partner
(Membership No.: 110142)
UDIN : 22110142AJHWLU1710
Place : Ahmedabad
Date : May 20, 2022

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL LIMITED

(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of HARSHA ENGINEERS INTERNATIONAL LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Chintan Shah
Partner
(Membership No.: 110142)
UDIN : 22110142AJHWLU1710
Place : Ahmedabad
Date : May 20, 2022

Standalone Balance Sheet as at March 31, 2022

₹ (in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	20,363	18,059
Capital Work-In-Progress	2	161	268
Other Intangible Assets	2	62	74
Financial Assets			
Investments	3	20,442	17,883
Loans & Advances	4	1,839	1,302
Other Financial Assets	5	64	40
Other Tax Assets [Net]	6	1,102	991
Other Non-Current Assets	7	509	326
Total Non-Current Assets		**44,542**	**38,943**
Current Assets			
Inventories	8	29,260	19,710
Financial Assets			
Investments	3	643	925
Trade Receivables	9	21,376	16,452
Cash and Cash Equivalents	10	1,609	2,543
Other Bank Balances	10	1,590	1,032
Loans & Advances	4	1,304	1,150
Other Financial Assets	5	1,075	695
Other Current Assets	7	4,753	6,679
Total Current Assets		**61,610**	**49,186**
TOTAL ASSETS		**106,152**	**88,129**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	7,725	5,000
Other Equity	12	49,080	41,053
Total Equity		**56,805**	**46,053**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	12,580	8,642
Lease liabilities	14	120	181
Provisions	15	1,106	951
Deferred Tax Liabilities (Net)	16	859	444
Other Non-Current Liabilities	19	219	209
Total Non-Current Liabilities		**14,884**	**10,427**
Current Liabilities			
Financial Liabilities			
Borrowings	13	16,174	16,539
Lease liabilities	14	86	60
Trade Payables			
-Dues to Micro & Small Enterprises	17	953	425
-Dues to other than Micro & Small Enterprises	17	13,207	9,004
Other Financial Liabilities	18	1,716	1,955
Other Current Liabilities	19	1,905	3,578
Provisions	15	207	202
Current Tax Liabilities [Net]	20	215	(114)
Total Current Liabilities		**34,463**	**31,649**
Total Liabilities		**49,347**	**42,076**
TOTAL EQUITY AND LIABILITIES		**106,152**	**88,129**

Significant Accounting Policies 1
The accompanying notes (1 to 34) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

CA Chintan Shah
Managing Partner
M. No.: 110142

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Date : May 20, 2022
Place : Ahmedabad

Standalone Statement of Profit and Loss for the Year Ended March 31, 2022

₹ (in Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
INCOME			
Revenue from Operations	21	95,645	58,204
Other Income	22	1,782	373
Total Income (A)		**97,427**	**58,577**
EXPENSES			
Cost of Materials Consumed	23	56,442	29,382
Change In Inventories of Finished Goods & Work-In-Progress	24	(-5,236)	(-1,985)
Employee Benefits Expenses	25	9,622	8,971
Finance Costs	26	2,112	2,655
Depreciation and Amortization Expenses	2	1,962	1,728
Other Expenses	27	18,226	12,685
Total Expenses (B)		**83,128**	**53,436**
Profit / (Loss) Before Tax (C)=(A-B)		**14,299**	**5,141**
Tax Expense			
Current Tax		3,325	-
Deferred Tax	29	366	1,343
Total Tax Expense (D)		**3,691**	**1,343**
Profit / (Loss) After Tax (E)=(D-C)		**10,608**	**3,798**
Other Comprehensive Income			
i) Items that will be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		0	0
Gains / (Loss) of Cashflow Hedge		161	753
Income tax relating to these items	29	(41)	(189)
ii) Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	30	32	(65)
Income tax relating to these items	29	(8)	16
Other Comprehensive Income, net of tax (F)		**144**	**515**
Total Comprehensive Income (E+F)		**10,752**	**4,313**
Earning Per Equity Share (EPS)	28		
Basic (Rs.)		18.53	7.60
Diluted (Rs.)		18.53	4.92

Significant Accounting Policies 1
The accompanying notes (1 to 34) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

For and on behalf of the Board of Directors
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M. No.: 110142

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Date : May 20, 2022
Place : Ahmedabad

Standalone Cash Flow Statement for the year ended March 31, 2022

₹ (in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per statement of Profit and Loss	14,299	5,141
Adjustments for:		
Depreciation, Amortisation, Depletion & Impairment	1,962	1,728
Interest Income	(281)	(300)
Finance Cost	2,112	2,656
Loss / (Profit) on Sale of Investment	0	(1)
Bad debts / Provision for doubtful trade receivables	36	49
Share of Loss / (Profit) from Joint venture / Associates	30	(17)
Loss / (Profit) on Sale of Assets	7	17
Operating Profit before Working Capital Changes	18,165	9,273
Adjustments for Changes in Working Capital		
Inventories	(9,550)	(2,520)
Trade Receivables	(4,960)	3,235
Loans & Advances	(154)	336
Other Current / Non-Current Assets	1,411	(268)
Trade Payables	4,731	264
Other Financial Liabilities	(239)	722
Other Current / Non-Current Liabilities	(1,673)	(1,518)
Provisions	467	850
Cash Generated from Operations	8,198	10,374
Income Taxes Paid	(3,110)	(114)
Net Cash Flow from Operating Activities (A)	**5,088**	**10,260**
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Fixed Assets (Net)	(4,154)	(2,064)
Sale / (Purchase) of Investments	(2,277)	(333)
Loans and Advances (Net)	(720)	(33)
Sale / (Purchase) of Investment in fixed deposits with bank (Net)	(558)	2,131
Interest Income	281	300
Share of Profit / (Loss) from Joint venture / Associates	(30)	17
Net Cash Flow from Investing Activities (B)	**(7,458)**	**18**
CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(2,112)	(2,656)
Borrowings (Net)	3,538	(6,808)
Availment / (Repayment) of Non-Current Liability	10	2
Net Cash Flow from Financing Activities (C)	**1,436**	**(9,462)**
Net Increase / (Decrease) in Cash and Cash equivalents (D) (A+B+C)	**(934)**	**816**
Cash and Cash Equivalents at the Beginning		
Cash on Hand	6	16
Balances with Banks	2,537	1,711
	2,543	**1,727**
Cash and Cash Equivalents at the End		
Cash on Hand	6	6
Balances with Banks	1,603	2,537
	1,609	**2,543**

The accompanying notes (1 to 34) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
Place : Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Standalone Statement of Changes in Equity (SOCIE) for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL ₹ (in Lakhs)

Particulars	No. of Shares	Amount
Issued, Subscribed and Paid up Share Capital		
Equity Shares of Rs. 10/- each fully paid up		
As at April 01, 2020	**50,000,000**	**5,000**
Equity Shares issued during the year		
As at March 31, 2021 @	**50,000,000**	**5,000**
Less : Reduction in Face Value of each equity shares from Rs. 10 to Re. 1 @	-	(4500)
Less : For consolidated into 1 Equity Share of the face value of Rs. 10/- each fully paid @	(45,000,000)	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par @	10	0
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date @	72,248,400	7,225
As at March 31, 2022	**77,248,410**	**7,725**

B. OTHER EQUITY ₹ (in Lakhs)

Particulars	Share Capital Pending Reduction & Allotment	Reserves & Surplus				Other Comprehensive Income	Total Other Equity
		Capital Reserves	Security Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2020	**2,725**	**(604)**	**75**	**2,307**	**32,723**	**(486)**	**36,740**
Profit for the year					3,798		3,798
Other comprehensive income for the year						515	515
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**3,798**	**515**	**4,313**
Transfer for Gratuity Actuarial Valuation					(29)	29	-
Balance as at March 31, 2021 @	**2,725**	**(604)**	**75**	**2,307**	**36,492**	**58**	**41,053**
Profit for the year					10,608		10,608
Other comprehensive income for the year						144	144
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**10,608**	**144**	**10,752**
Utilised during the year @	(2,725)				-		(2,725)
Balance as at March 31, 2022	**-**	**(604)**	**75**	**2,307**	**47,100**	**202**	**49,080**

[@] Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 5,000 lakhs divided into 50,000,000 (Five crores) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 500 lakhs divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3 / HEL) on record date, i.e. December 25, 2021. Accordingly the share capital has been increased to Rs. 7,724.84 lakhs divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Rs. 10/- (Rupees ten only) each fully paid up. (Refer note 32.6).

The accompanying notes (1 to 34) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
Place : Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
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Managing Director
DIN : 00278062

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Notes to the Standalone Financial Statements for the year ended March 31, 2022

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

I. GENERAL INFORMATION

Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited), is a public limited company, incorporated and domiciled in India, under the provisions of the Companies Act, 2013 ("HEIL" or "HASPL" or "the Company"). The company expresses itself as a Core Engineering as well as Solar-EPC and O&M company which focuses on continuous learning and developments, having experience to produce best Engineering products and provide best solar services as per customers requirements. Since its inception, the company undertakes turnkey projects, using solar photovoltaic (PV) technology, including polycrystalline and thin-film materials under it's Solar EPC segment, ranging from KW scale to MW scale. The Company has merged the group companies having Engineering business which are in the manufacturer of bearing cages having materials in form of brass, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through our subsidiaries. The registered office of the companies is located at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213, Gujarat, India.

II. BASIS OF PREPARATION

(a) Statement of compliance with Ind AS

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

(b) Functional and Presentation Currency

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

(c) 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 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

(d) Use of Estimates and Judgements

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

Estimates

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

Judgements

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

Assumptions and Estimation Uncertainties

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

(e) Measurement of Fair Values

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

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

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

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

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

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

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

III. SIGNIFICANT ACCOUNTING POLICIES

A. FOREIGN CURRENCY

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

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

B. FINANCIAL INSTRUMENTS

1. Financial Assets

i) Classification

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

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

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

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Initial Recognition Measurement

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

iii) Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL

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

- Financial assets at amortized cost

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

iv) Derecognition

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

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

2. Financial Liabilities

i) Classification, Initial and Subsequent Measurement and Gains and Losses

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

ii) Derecognition

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

3. Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. Investment in Subsidiaries

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

C. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

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

D. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

ii. Subsequent Expenditure

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

iii. Depreciation / Amortisation

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

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

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

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

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

iv. Derecognition

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

E. INTANGIBLE ASSETS

i. Initial Recognition and Classification

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

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

ii. Subsequent Expenditure

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

iii. Amortisation

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

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

iv. Derecognition

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

F. INVENTORIES

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

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

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

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

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

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

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

G. IMPAIRMENT

i. Impairment of Financial Assets

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

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

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

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

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

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

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

Measurement of Expected Credit Losses

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

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

Write-off

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

ii. Impairment of Non-Financial Assets

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

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

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

H. EMPLOYEE BENEFITS

i. Short Term Employee Benefits

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

ii. Defined Contribution Plan

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

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

iii. Defined Benefit Plan

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

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

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

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

I. REVENUE RECOGNITION

i. Sale of Goods

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

The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually 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.

Income from services

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

ii. Export Benefits

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

J. RECOGNITION OF DIVIDEND INCOME, INTEREST INCOME

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

K. INCOME TAX

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

i. Current Tax

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

ii. Deferred Tax

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

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

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

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

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

iii. Minimum alternate tax (MAT)

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

L. CASH AND CASH EQUIVALENTS

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

M. BORROWING COST

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset until such time the assets are substantially ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

N. EARNINGS PER SHARE

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

O. STATEMENT OF CASH FLOW

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

P. LEASES

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

Lease accounting

As a lessee

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

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

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

As a lessor

Finance lease

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

Operating lease

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

A. another systematic basis is more representative of the time pattern of the user's benefit; or

B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

C. the lease asset capitalised and recognised as an asset in the books.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

R. BUSINESS COMBINATIONS

Business combinations (other than common control business combinations)

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

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

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

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

Common Control Transactions

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

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

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

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

NOTE 2. PROPERTY, PLANT & EQUIPMENT

₹ (in Lakhs)

For the year ended March 31, 2022										
Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 1, 2021	Addition during the year	Disposal / Adjustment	As at March 31, 2022	As at April 1, 2021	For the year	Disposal / Adjustment	As at March 31, 2022	As at March 31, 2022	As at April 1, 2021
Property, Plant & Equipment										
Land	584	-	-	584	-	-	-	-	584	584
Buildings	6,768	291	-	7,059	2,250	223	-	2,473	4,586	4,518
Plant And Machineries	25,342	3,636	309	28,669	15,600	1,264	130	16,734	11,935	9,742
Furniture And Fittings	1,009	197	-	1,206	679	65	-	744	462	330
Vehicles	254	-	18	236	107	26	17	116	120	147
Office Equipments	223	13	1	235	168	15	1	182	53	55
Electric Installation	1,974	230	16	2,188	1,218	137	1	1,354	834	756
Computer & Peripherals	504	21	-	525	451	24	-	475	50	53
Solar Generation Plant	2,123	-	-	2,123	616	78	-	694	1,429	1,507
Wind Mill	573	-	-	573	431	21	-	452	121	142
Right of Use Assets-Lease	356	46	15	387	131	81	15	197	190	225
TOTAL (A)	**39,710**	**4,434**	**359**	**43,785**	**21,651**	**1,934**	**164**	**23,421**	**20,364**	**18,059**
Other Intangible Assets										
Computer Software	575	14	-	589	501	27	-	528	61	74
TOTAL (B)	**575**	**14**	**-**	**589**	**501**	**27**	**-**	**528**	**61**	**74**
TOTAL (A+B)	**40,285**	**4,448**	**359**	**44,374**	**22,152**	**1,961**	**164**	**23,949**	**20,425**	**18,133**

Note : 1. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.
Note : 2. As the company has not have revalued intangible asset hence, disclosure related to revaluation of intangible asset is not made.

Capital Work-in-progress aging schedule as at March 31, 2022

₹ (in Lakhs)

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	161	-	-	-	161
Projects temporarily suspended	-	-	-	-	-

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

₹ (in Lakhs)

For the year ended March 31, 2021										
Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 1, 2020	Addition during the year	Disposal / Adjustment	As at March 31, 2021	As at April 1, 2020	For the year	Disposal / Adjustment	As at March 31, 2021	As at March 31, 2021	As at April 1, 2020
Property, Plant & Equipment										
Land	584	-	-	584	-	-	-	-	584	584
Buildings	6,732	38	2	6,768	2,030	220	-	2,250	4,518	4,702
Plant And Machineries	23,771	1,811	240	25,342	14,814	1,016	230	15,600	9,742	8,957
Furniture And Fittings	1,016	5	12	1,009	624	64	9	679	330	392
Vehicles	252	5	3	254	84	26	3	107	147	168
Office Equipments	228	10	15	223	165	15	12	168	55	63
Electric Installation	1,898	81	5	1,974	1,092	130	4	1,218	756	806
Computer & Peripherals	517	9	22	504	433	37	19	451	53	84
Solar Generation Plant	2,123	-	-	2,123	538	78	-	616	1,507	1,585
Wind Mill	573	-	-	573	410	21	-	431	142	163
Right of Use Assets-Lease	420	72	136	356	129	131	129	131	225	291
TOTAL (A)	**38,114**	**2,031**	**435**	**39,710**	**20,319**	**1,738**	**406**	**21,651**	**18,059**	**17,795**
Other Intangible Assets										
Computer Software	578	7	10	575	472	39	10	501	74	106
TOTAL (B)	**578**	**7**	**10**	**575**	**472**	**39**	**10**	**501**	**74**	**106**
TOTAL (A+B)	**38,692**	**2,038**	**445**	**40,285**	**20,791**	**1,777**	**416**	**22,152**	**18,133**	**17,901**

Note : 1. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.
Note : 2. As the company has not have revalued intangible asset hence, disclosure related to revaluation of intangible asset is not made.

Capital Work-in-progress aging schedule as at March 31, 2021

₹ (in Lakhs)

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	268	-	-	-	268
Projects temporarily suspended	-	-	-	-	-

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

NOTE 3. INVESTMENTS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current **A) Investments in Equity Shares of Subsidiaries** (Measured at Amortised cost) Unquoted equity instruments Fully Paid Up		
Harsha Precision Bearings Components (China) Co., Ltd. (Extent of Holding - 100%,) Principal Place of Business : Changshu, China	6,760	6,760
Harsha Engineers B.V. 3,648 Equity shares of Euro 4622.9 each (Extent of Holding - 100%) (As on March 31, 2021 is 3,000 Equity shares of Euro 4622.9 each) Principal Place of Business : Amsterdam, Netherlands	13,612	11,053
HASPL Americas Corporation 59980 Equity shares of USD 1.50 each (Extent of Holding - 100%) Principal Place of Business : Mclean,VA, USA	67	67
B) Investments in Joint Venture / Associates (Measured at Amortised cost) **Sunstream Green Energy One Pvt. Ltd.** 2600 Equity shares of Rs. 10 each (Extent of Holding - 26%) Principal Place of Business : India	0	0
Cleanmax Harsha Solar LLP - Capital A/c. Capital contribution of ₹ 250,000 (Voting Rights and Profit Sharing of 50%) Principal Place of Business : India	3	3
Total Non-Current Investments	**20,442**	**17,883**
Current		
Mutual Fund	-	250
Cleanmax Harsha Solar LLP Current A/c	643	675
Total Current Investments	**643**	**925**

NOTE 4. LOANS & ADVANCES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
(Unsecured, Considered Good)		
Loans to Employees	5	8
Loan to Subsidiaries	1,834	1,294
Total Non-Current Loans & Advances	**1,839**	**1,302**
Current		
(Unsecured, Considered Good)		
Loan To Employees	17	21
Share Issue Expenses#	400	-
Other Trade Receivable - Un billed Revenue	636	434
Other Trade Receivable - Subsidy Receivable	-	54
Interest & Other Income Receivable	251	641
Total Current Loans & Advances	**1,304**	**1,150**

The Company has decided to proceed with the IPO activity and file the Draft Red Herring Prospectus (DRHP) on February 3, 2022 with SEBI & Stock Exchanges. The issue expenses on the consummation of the IPO will be shared between the Company and the selling shareholders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling shareholders in the offer for sale.

NOTE 5. OTHER FINANCIAL ASSETS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Security Deposits	64	40
Total Other Non-Current Financial Assets	**64**	**40**
Current		
Export Benefits Receivables	1,070	690
Security Deposits	5	5
Total Other Current Financial Assets	**1,075**	**695**

NOTE 6. OTHER TAX ASSETS [NET]

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance Payment of Tax (Net of Provisions)	1,102	991
Total Other Tax Assets [Net]	**1,102**	**991**

NOTE 7. OTHER ASSETS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital Advances	378	184
Prepaid Expenses	131	142
Total Other Non-Current Assets	**509**	**326**
Current		
Balances With Government Authority	2,754	2,291
Prepaid Expenses	315	421
Advances To Suppliers	1,684	3,967
Total Other Current Assets	**4,753**	**6,679**

NOTE 8. INVENTORIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material	5,798	2,803
Semi Finished	1,109	905
Finished	11,848	7,692
Stores & Spares	1,437	1,168
Toolings	7,494	6,618
Project bought-out Components-Solar	1,574	524
Total Inventories	**29,260**	**19,710**

Inventories lying with the job workers:
The Inventory amounting to Rs. 1686 lakhs (March 31, 2021 is Rs. 804 lakhs) was lying with the job workers for further processing at the close of the year.

NOTE 9. TRADE RECEIVABLES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and Considered Good		
Trade Receivables	21,969	17,053
Less : Provision for doubtful trade receivables	593	601
Total Trade Receivables	**21,376**	**16,452**

Age of Receivables:

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	**13,828**	**9,583**
0-3 Months	3,344	2,104
3-6 Months	119	343
6-12 Months	75	343
1-3 Years	85	254
>3 Years	3,925	3,825
Total	**21,376**	**16,452**

NOTE 10. CASH AND BANK BALANCES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on Hand	6	6
Balances with Banks	1,603	2,537
Total Cash and Cash Equivalents	**1,609**	**2,543**
Other Bank Balances#		
In Fixed Deposit Accounts	1,590	1,032
Total Other Bank Balances	**1,590**	**1,032**
Total Cash and Bank Balances	**3,199**	**3,575**
# Note :		
1. Includes Lien Marked FD maintain as a margin money for Bank Guarantees, Letter of Credits and Overdraft facility.	904	877

NOTE 11. EQUITY SHARE CAPITAL

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
Equity Number of shares	100,000,000	50,000,000
Equity Shares of Rs. 10/- each	10,000	5,000
Total	**10,000**	**5,000**

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order December 23, 2021 and became effective from December 24, 2021, the authorized share capital of the ATPL, HEIPL, HEL & HSPPL (Transferor Companies), amounting to Rs. 2,000,000 (Rupees Twenty Lakhs Only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 100/- (Rupees Hundred) each and Rs. 10,000,000 (Rupees One Crores Only) consisting of 1,000,000 (Ten Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and Rs. 350,000,000 (Rupees Thirty-Five Crores only) consisting of 35,000,000 (Three Crores and Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and Rs. 200,000 (Rupees Two Lakhs only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 10/- (Rupees Ten) each respectively has been consolidated with the authorized share capital of the HASPL (Transferee Company) hence as a result the Authorized Share Capital of the Company has been increased from Rs. 500,000,000/- (Rupees Fifty Crores) to Rs. 862,200,000/- (Rupees Eighty Six Crores Twenty Two Lakhs). [Refer Note 32.6]

Further, authorised share capital has been increased from Rs. 8,622 lakhs divided into 86,220,000 Equity Shares of Rs. 10/- each to Rs. 10,000 lakhs divided into 100,000,000 Equity Shares of Rs. 10/- each.

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Issued, Subscribed and Paid up Capital		
Equity Number of shares	7,72,48,410	5,00,00,000
Equity Shares of Rs. 10/- each	7,725	5,000
Total	**7,725**	**5,000**

Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 5000 lakhs divided into 50,000,000 (Five crores) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 500 lakhs divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3 / HEL) on record date, i.e. December 25, 2021. Accordingly the share capital has been increased to Rs. 7,724.80 lakhs divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Re. 10/- (Rupee ten only) each fully paid up. (Refer note 32.6).

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

Particulars	No. of Shares	Amount (₹ in Lakhs)
At the beginning of the year	50,000,000	5,000
Add : Shares issued during the year	-	-
As at March 31, 2021	**50,000,000**	**5,000**
At the beginning of the year	50,000,000	5,000
Less : Reduction in Face Value of each equity shares from Rs. 10 to Re. 1	-	-4,500
Less : For consolidated into 1 Equity Share of the face value of Rs. 10/- each fully paid	-45,000,000	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par.	10	0
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of Transferor Company 3 / HEL to equity holders of Transferor Company 3 / HEL as on Record Date @	72,248,400	7,225
As at March 31, 2022	**77,248,410**	**7,725**

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

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2021 No. of shares
Name of Shareholder		
Mr. Rajendra Shah	15,413,550	9,976,614
Mr. Harish Rangwala	13,479,089	13,255,348
Ms. Charusheela Rangwala	12,719,487	8,679,792
Ms. Nirmala Shah	9,622,530	7,473,799
Mr. Vishal Rangwala	7,769,829	498,281
Mr. Pilak Shah	7,698,281	4,982,809
Ms. Tanvi Rangwala	4,539,663	996,566
% Holding in Equity Shares		
Mr. Rajendra Shah	19.95%	19.95%
Mr. Harish Rangwala	17.45%	26.51%
Ms. Charusheela Rangwala	16.47%	17.36%
Ms. Nirmala Shah	12.46%	14.95%
Mr. Vishal Rangwala	10.06%	1.00%
Mr. Pilak Shah	9.97%	9.97%
Ms. Tanvi Rangwala	5.88%	1.99%

Shareholding of Promoters

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2021 No. of shares
Mr. Rajendra Shah	**15,413,550**	**9,976,614**
% Holding in Total Equity Shares	19.95%	19.95%
% change during the year	0.00%	
Mr. Harish Rangwala	**13,479,089**	**13,255,348**
% Holding in Total Equity Shares	17.45%	26.51%
% change during the year	-9.06%	
Mr. Vishal Rangwala	**7,769,829**	**498,281**
% Holding in Total Equity Shares	10.06%	1.00%
% change during the year	9.06%	
Mr. Pilak Shah	**7,698,281**	**4,982,809**
% Holding in Total Equity Shares	9.97%	9.97%
% change during the year	0.00%	

NOTE 12. OTHER EQUITY

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital Pending Reduction & Allotment - Arising pursuant to the Scheme [Refer Note 32.6]	-	2,725
Capital Reserves-Arising pursuant to the Scheme [Refer Note 32.6]	(604)	(604)
Security Premium	75	75
General Reserve	2,307	2,307
Retained Earnings	47,100	36,492
Other Comprehensive Income	202	58
Total Other Equity	**49,080**	**41,053**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital Pending Reduction & Allotment		
Opening Balance	2,725	2,725
Less : Utilised during the year	(2,725)	-
Total Share Capital Pending Reduction & Allotment	**-**	**2,725**

Share Capital Pending Reduction & Allotment represents share capital pending reduction in Face Value from Rs. 10 to Re. 1 of the Company's Equity Capital and also additional shares to be issued as amalgamation consideration on merger to shareholders of Harsha Engineers Limited. Since, the appointed date as per the Scheme is April 1, 2020 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, the scheme is required to be accounted from the beginning of the preceding period in the financial statements i.e. April 1, 2020, accordingly share capital reduction and additional shares to be issued on merger to shareholders of Harsha Engineers Limited have been accounted as Share Capital Pending Reduction & Allotment on April 1, 2019. Share capital Reduction in Face Value from Rs. 10 to Re. 1 has been effected on December 24, 2021 being effective date followed by consolidation of 10 shares of Rupee 1 each to 1 share of Rupees 10 each. Also the Company has issued 7,22,48,400 shares as consideration on record date i.e. December 25, 2021. Accordingly, on December 25, 2021, the balance lying in Share Capital Pending Reduction & Allotment account has been transferred to equity share capital (Refer note 32.6).

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserves		
Opening Balance	(604)	(604)
Total Capital Reserves	**(604)**	**(604)**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Premium		
Opening Balance	75	75
Total Security Premium	**75**	**75**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve		
Opening Balance	2,307	2,307
Total General Reserve	**2,307**	**2,307**

₹ (in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	36,492	32,723
Add : Profit during the year	10,608	3,798
Less : Adjustment of Gratuity as per Actuarial Valuation Report	-	(29)
Total Retained Earnings	**47,100**	**36,492**

₹ (in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Comprehensive Income (OCI)		
Opening Balance	58	(486)
Increase / (Decrease) During the Year	192	688
Adjustment of Gratuity as per Actuarial Valuation Report	-	29
Income Tax relating to above item	(48)	(173)
Total	**202**	**58**

NOTE 13. BORROWINGS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Borrowings		
Secured		
RBL Bank Ltd.	-	1,124
RBL Bank Ltd (ECLGS 2.0)	744	1,006
HDFC Bank Ltd.	4,475	2,220
HDFC Bank Ltd. (ECLGS 2.0)	3,160	4,244
Kotak Mahindra Bank Limited	-	48
Unsecured		
Loan From Directors	1,901	-
Deposit From Shareholders	2,300	-
Total Non-Current Borrowings	**12,580**	**8,642**

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

(1) RBL Bank Limited - Engineering Segment

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

b). Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc.
1) Re-schedulement : at the lender's discretion
2) Prepayment : Prepayment penalty of 3% up to March 31, 2019 and thereafter prepayment allowed out of internal accruals
3) Default : No payment of principal or interest on due date, breach of financial covenants.

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

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

b). Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc.
Prepayment : No prepayment penalty shall be charged

(3) HDFC Bank Limited - Engineering Segment

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

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

(4) HDFC Bank Limited (WCTL UNDER ECLG 2.0) - Engineering Segment

a). Security:
Extension of second ranking charge over existing primary and collateral securities created in favor of the Bank i.e.
1) Extension of second ranking charge over the current assets of the company including all stocks and book debts (both present and future) and
2) Extension of second ranking charge over the Plant & Machinery created out of the Term Loan Facility given by HDFC Bank

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

5) Kotak Mahindra Bank Limited - Engineering Segment

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

Rate of interest ranges from 5.75% to 9 % p.a . On Long Term Borrowing.
Rate of interest ranges from 10% to 11% p.a . On Loan from Directors.
Rate of interest ranges from 10% to 11% p.a . On Deposit from Shareholders.

Terms of Repayments :
Non-Current Borrowing

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1-2 Years	2,646	3,238
2-3 Years	6,847	1,946
3-4 Years	2,212	1,946
Beyond 4 Years	875	1,512
Total	**12,580**	**8,642**

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

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Borrowings		
Secured		
State Bank of India	1,325	584
Citi Bank	2,743	3,300
YES Bank Ltd.	993	1,464
RBL Bank Ltd.	3,150	2,446
HDFC Bank Ltd.	900	600
ICICI Bank Ltd.	1,000	-
Current maturities of long term debt	**3,763**	**2,249**
Unsecured		
Loan From Banks	2,300	2,000
Loan From Directors	-	2,072
Deposit From Shareholders / Loan From Director's Relatives	-	1,824
Total Current Borrowings	**16,174**	**16,539**

Security for Current Borrowings

(1) State Bank of India :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. and HDFC Bank Ltd. Collaterally secured by way of hypothecation over the entire plant & machinery of the Engineering Division's Changodar and Moraiya Plant (excluding Brass Division at Moraiya Plant hypothecated to Citibank NA.; DGBB Division at Changodar Plant hypothecated to ICICI Bank Limited; Exclusive Assets hypothecated to HDFC Bank Limited and RBL Bank Limited on pari passu basis).

(2) Citi Bank :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Yes Bank Limited, RBL Bank Limited and HDFC Bank Limited.

(3) YES Bank Ltd. :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., RBL Bank Limited and HDFC Bank Limited and for Solar Segment Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with RBL Bank Ltd. by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future excluding project specific charge.

(4) RBL Bank Ltd. :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and HDFC Bank Limited and **for Solar Segment** Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with YES Bank Ltd by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future.

(5) HDFC Bank Ltd. :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and RBL Bank Limited.

(6) ICICI Bank Ltd. :
Engineering Segment for Harsha India - Secured by first charges on all movables assets of DGBB Division, Changodar.

NOTE 14. LEASE LIABILITY

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Lease Liability	120	181
Total Non-Current Lease Liability	**120**	**181**
Current		
Lease Liability	86	60
Total Current Lease Liability	**86**	**60**

NOTE 15. PROVISIONS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision For Employees Benefits, Refer Note : 30	1,106	951
Total Non-Current Provisions	**1,106**	**951**
Current		
Provision For Employees Benefits, Refer Note : 30	207	202
Total Current Provisions	**207**	**202**

NOTE 16. DEFERRED TAX LIABILITY / (ASSET)

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability	1,403	1,199
Less : Deferred Tax Asset	544	755
Net Deferred Tax Liability / (Asset)	**859**	**444**

NOTE 17. TRADE PAYABLES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to Micro and Small Enterprises [#]	953	425
Dues to other than Micro and Small Enterprises	13,207	9,004
Total Trade Payables	**14,160**	**9,429**

Age of Payables:

Outstanding for following periods from due date of payment

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) MSME		
Not Due	953	384
0-12 Months	-	30
1-2 Years	-	4
2-3 Years	-	-
>3 Years	-	7
Sub Total	**953**	**425**
(ii) Other		
Not Due	7,003	3,456
0-12 Months	5,985	5,057
1-2 Years	-	175
2-3 Years	20	302
>3 Years	199	14
Sub Total	**13,207**	**9,004**
Grand Total	**14,160**	**9,429**

[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March has been compiled in respect of parties to the extent to which they could be identified as Suppliers under the Micro, Small and Medium Enterprises Act, on the basis of information available with the Company & provided by the supplier. All above information is compiled, only after the information available with the company.

A: Principal amount remaining unpaid to any supplier as at year end	953	425
B: Interest due thereon	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	64
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-

NOTE 18. OTHER FINANCIAL LIABILITIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	74	271
Accrued Expenses	2,139	2,020
Derivative Liability / (Asset)	(497)	(336)
Total Other Current Financial Liabilities	**1,716**	**1,955**

NOTE 19. OTHER LIABILITIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Contingent Deposit From Vendors	216	176
Advance from Staffs	3	33
Total Non-Current Liabilities	**219**	**209**
Current		
Statutory Liabilities	876	874
Advance from Customers	1,003	2,679
Asset Retirement Obligation - ARO	26	25
Total Current Liabilities	**1,905**	**3,578**

NOTE 20. CURRENT TAX LIABILITIES [NET]

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Provision for Taxation (Net of Advance Tax)	215	(114)
Total Current Tax Liabilities [Net]	**215**	**(114)**

NOTE 21. REVENUE FROM OPERATIONS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of Products & Services		
(a) Sale of Products	92,546	55,585
(b) Sale of Services	1,594	1,456
(c) Unbilled Revenue	202	(32)
Total	**94,342**	**57,009**
Other Operating Revenues		
Exports Benefits	1,133	1,003
Solar Power Generation	170	192
Total	**1,303**	**1,195**
Total Revenue from Operation	**95,645**	**58,204**

NOTE 22. OTHER INCOME

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	281	300
Subsidy Income	-	(1)
Share of Profit / (Loss) from Cleanmax Harsha Solar LLP	(30)	17
Gain / (Loss) on Exchange Rate Fluctuation	1,305	394
Gain / (Loss) on Exchange Rate Fluctuation-Curr. Revaluation	187	(380)
Miscellaneous Income	39	42
Other Income - Non-Operating		
Gain / (Loss) on Sale of Investment	0	1
Total Other Income	**1,782**	**373**

NOTE 23. COST OF MATERIALS CONSUMED

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost Of Material Consumed	56,442	29,382
Total Cost of Materials Consumed	**56,442**	**29,382**

NOTE 24. CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Finished Goods Opening Stock	7692	5565
Less : Finished Goods Closing Stock	(11848)	(7692)
Total	**(4156)**	**(2127)**
Semi Finished Goods Opening Stock	905	975
Less : Semi Finished Goods Closing Stock	(1109)	(905)
Total	**(204)**	**70**
Toolings Opening Stock	6618	6690
Less : Toolings Closing Stock	(7494)	(6618)
Total	**(876)**	**72**
Total Change In Inventories of Finished Goods & Work-In-Progress	**(5236)**	**(1985)**

NOTE 25. EMPLOYEE BENEFIT EXPENSES

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages & Bonus etc.	8,174	7,612
Contribution To PF, ESI etc.	772	689
Staff Welfare	676	670
Total Employee Benefit Expense	**9,622**	**8,971**

NOTE 26. FINANCE COSTS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense		
On Term Loans	739	1,108
On Working Capital Loans	743	1,078
On Deposits	403	176
On Others	60	23
	1,945	**2,385**
Other Borrowing Costs		
Bank Charges & Processing Fees	165	268
Unwinding of discount on provision of Asset Retirement Obligation	2	2
	167	**270**
Total Finance Cost	**2,112**	**2,655**

NOTE 27. OTHER EXPENSES

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Stores & Packing		
Stores & Spares Consumed	3,397	2,178
Packing Materials Consumed	2,622	1,492
Total (A)	**6,019**	**3,670**
(B) Power & Fuel		
Power & Fuel Consumption (Net)	1,936	1,441
Total (B)	**1,936**	**1,441**
(C) Operative Expenses		
Machinery Repairs & Maintenance	283	142
Civil and Fabrication Charges	8	12
Installation & Commissioning charges	321	215
Contractor-Labour Charges	2,468	1,756
Other Operative Expenses	370	239
Total (C)	**3,450**	**2,364**
(D) Administrative & Other Expenses		
Advertisement & Sales Promotion	87	212
Celebration Expenses	25	16
Computer Expenses	190	152
Corporate Social Responsibility (CSR)	-	332
Freight, Forwarding & Clearing Exp	4,943	2,519
Insurance Premium	165	149
Legal & Professional Exp #	248	662
Rent & Fleet Management Expenses	102	71
Loss / (Profit) on Sale of Fixed Assets	7	17
Repairs & Maintenance	247	143
Rates & Taxes	17	30
Security & Housekeeping Expenses	322	361
Stationery, Printing & Communication Expenses	102	90
Staff Training, Membership & Subscription	48	31
Net Sundry Balance write off / Bad debts	45	39
Provision for doubtful debts	(9)	10
Traveling & Conveyance Expenses	107	68
Miscellaneous expenses	175	308
Total (D)	**6,821**	**5,210**
Total Other Expenses (A+B+C+D)	**18,226**	**12,685**

* Legal and Professional Expenses include:

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to Statutory Auditor as :		
a) Statutory Audit Fees	15	12
b) Other Services	4	2
c) Reimbursment of Expenses	0	0
Total	**19**	**14**

NOTE 28. EARNING PER SHARE

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax attributable to Equity Holders	10,608	3,798
Weighted average number of Equity Shares for Basic EPS	57,241,358	50,000,000
Weighted Average additional Potential Equity Shares Pursuant to the Scheme*	-	27,248,410
Weighted average number of Diluted Shares for Diluted EPS	57,241,358	77,248,410
Nominal value of equity share (Rs.)	10	10
Earnings Per Share (Rs.)		
Basic	18.53	7.60
Diluted	18.53	4.92

[*] Refer Notes-32.6

NOTE 29. DEFERRED TAX ASSET / (LIABILITIES) [NET]

Movement in deferred tax balances

₹ (in Lakhs)

Particulars	Net balance April 1, 2021	For the year ended March 31, 2022		As at March 31, 2022		
		Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Asset / (Liabilities)						
Fixed Assets	(1,021)	(48)		(1,069)	-	(1,069)
Lease Liability	59	(7)		52	52	-
Bonus and Ex-gratia Payable	1	1		2	2	-
Gratuity	151	50	-	201	201	-
Leave Encashment	63	(2)		61	61	-
ERF-Curr.Revaluation	(73)	(23)		(96)	-	(96)
ARO Provision	6	1		7	7	-
ARO Assets	(-)	-		(-)	-	(-)
Derivative Assets	-	(85)	-	(85)	-	(85)
Cumulative C/F Business Loss	247	(247)		0	0	-
Provision of doubtful Debts	151	(2)		149	149	-
O&M Income Receivable	(19)	1		(18)	-	(18)
Amortized Merger Expenses		(9)		(9)	-	(9)
Professional Tax Payable		4		4	4	-
Remeasurement of Gratuity (OCI)	76	-	(8)	68	68	-
Cash Flow Hedge (OCI)	(85)	-	(41)	(126)	-	(126)
Deferred tax assets / (liabilities)	**(444)**	**(366)**	**(49)**	**(859)**	**544**	**(1,403)**

Movement in deferred tax balances

₹ (in Lakhs)

Particulars	Net balance April 1, 2020	For the year ended March 31, 2021		As at March 31, 2021		
		Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Asset / (Liabilities)						
Fixed Assets	(907)	(114)		(1,021)	-	(1,021)
Lease Liability	76	(18)		59	59	-
Bonus and Ex-gratia Payable	13	(12)		1	1	-
Gratuity	108	43	-	151	151	-
Leave Encashment	52	11		63	63	-
ERF-Curr.Revaluation	(145)	72		(73)	-	(73)
ARO Provision	6	0		6	6	-
ARO Assets	(1)	0		(0)	-	(0)
Donation	(42)	42		-	-	-
Cumulative C/F Business Loss	1,619	(1,372)		247	247	-
Provision of doubtful Debts	149	3		151	151	-
O&M Income Receivable	(22)	3		(19)	-	(19)
Remeasurement of Gratuity (OCI)	60	-	16	76	76	-
Cash Flow Hedge (OCI)	105	-	(189)	(85)	-	(85)
Deferred tax assets / (liabilities)	**(1,072)**	**(1,343)**	**(173)**	**(444)**	**755**	**(1,199)**

NOTE 30. DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age	
Retirement Age	58 Years		58 Years	
Discount Rate	7.15% P.A.		6.85% P.A.	
Salary escalation	6% P.A.		6% P. A.	

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

₹ (in Lakhs)

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	1,598	377	1,357	328
Interest Cost	105	25	88	21
Current Service Cost	151	51	137	51
Benefit Paid	(106)	(87)	(63)	(83)
Due to Experience adjustments	(44)	13	79	59
Liability at the end of the period	**1,703**	**378**	**1,598**	**377**
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	693	129	687	124
Expected Return on Plan Assets	(13)	(1)	14	(5)
Contributions	10	0	8	0
Interest Income	48	10	47	9
Benefit paid	(106)	0	(63)	0
Fair Value of Plan Assets at the end of the period	**632**	**137**	**693**	**129**

₹ (in Lakhs)

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Actual Gain / loss recognized				
Actuarial (gain) / loss on obligations	(44)	13	79	59
Actuarial (gain) / loss on Plan Assets	13	1	(14)	5
Net Actuarial (gain) / loss recognized during year	**(31)**	**14**	**65**	**64**
Amount recognized in Balance Sheet				
Liability at the end of the period	1,703	378	1,598	377
Fair Value of Plan Asset at the end of the period	632	137	693	129
Net Amount recognized in Balance Sheet	**1,071**	**241**	**905**	**249**

₹ (in Lakhs)

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss				
Current Service cost	151	51	137	51
Interest cost	57	15	41	12
Expected return on Plan Asset	0	14	0	64
Net Expense recognized in P&L	**208**	**80**	**178**	**128**
Expense recognized in the Statement of Other Comprehensive Income				
Due to experience adjustment	(44)	-	79	-
Return on plan assets excluding amounts included in interest income	13	-	(14)	-
Net Expense recognized in OCI	**(31)**	**-**	**65**	**-**

Sensitivity Analysis

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

₹ (in Lakhs)

Gratuity	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount rate 1% / -1% (FY2020-21 : 1% / -1%)	1,542	1,893	1,441	1,784
Salary growth rate 1% / -1% (FY2020-21 : 1% / -1%)	1,893	1,540	1,783	1,439
Withdrawal / Attrition Rate 10% / -10% (FY2020-21 : 50% / -50%)	1,707	1,699	1,609	1,583

Leave salary	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount rate 0.5% / -0.5% (FY2020-21 : 0.5% / -0.5%)	357	402	355	402
Salary growth rate 0.5% / -0.5% (FY2020-21 : 0.5% / -0.5%)	402	357	402	355
Withdrawal / Attrition Rate 10% / -10% (FY2020-21 : 10% / -10%)	380	377	378	376

NOTE 31. RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on “Related Party Disclosures”, list of related parties identified of the Company are as follows:

A. Subsidiary / Joint Venture / Associate

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

Note :

1. Pursuant to the Scheme sanctioned by Hon’ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order dated December 23, 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date i.e April 1, 2020 and effective from December 24, 2021 and immediately upon effectiveness of the same. HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, ""HASPL"") with effect from appointed date i.e April 1, 2020.
2. Pursuant to the Scheme, Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL becomes the subsidiaries of the Company with effect from April 1, 2020 i.e Appointed date.
3. The Board at its meeting held on February 20, 2021 approved the Scheme of Amalgamation - 2 of Harsha Engineers BV with the Company and their respective shareholders and creditors in accordance with the provision of Companies Act which is currently under process.
4. Related Party Transactions (RPT) by the Company are also included RPT of Transferor Companies as per the Scheme for the reporting periods. It may be noted that as per the Scheme approved by the NCLT, Ahmedabad Bench dated December 23, 2021, RPT made by Transferor Companies during the respective reporting period are also considered as RPT with respect to the merged entity i.e Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, ""HASPL"").
5. HACM Solar LLP, Joint Venture of the Company has been dissolved on October 21, 2021 and name has been struck off from the ROC.

B. Director's & Key Managerial Personnel				C. Relatives of Key Managerial Personnel				
Name of Director's & Key Managerial Personnel				**Name of Relatives of Key Managerial Personnel**				
Rajendra Shah [1]	Chairman & Whole-time Director	Harish Rangwala [2]	Managing Director	Rajendra Shantilal Shah HUF	Yashpal Mehta	Tanvi Rangwala	Rinkal Jasani	Aayansh Mohanty
Vishal Rangwala [3]	CEO & Whole-time Director	Pilak Shah [4]	COO & Whole-time Director	Ukani Brijeshkumar Parshottambhai HUF	Vaishali Shah	Tarana Rangwala	Nitya Jasani	Ravi Mohanty
Hetal Ukani [5]	Whole-time Director	Ambar Patel [6]	Independent Director	Kanubhai Shah	Raag Shah	Suresh Jasani (HUF)	Saurin Jasani	Rashmita Nayak
Kunal Shah [6]	Independent Director	Neharika Vohra [6]	Independent Director	Manish Naik	Viha Ukani	Suresh Jasani	P.C Mohanty	Sinny Nayak
Ramakrishnan Kasinathan [6]	Independent Director	Bhushan Punani [6]	Independent Director	Nirmala Shah	Preya Ukani	Maulik S Jasani HUF	Nayana Mohanty	Soham Naik
Maulik Jasani [7]	VP Finance and Group CFO	Kiran Mohanty [8]	Company Secretary & Chief Compliance Officer	Mili Mehta	Charusheela Rangwala	Madhurika Jasani	Lipsa Nayak	Navin-chandra Shah

1. Mr. Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from December 25, 2021.
2. Mr Harish Rangwala is appointed as Managing Director of the Company with effect from December 25, 2021.
3. Mr. Vishal Rangwala is appointed as Director of the company with effect from August 12, 2021 and appointed as CEO and Whole time Director of the Company with effect from December 25, 2021.
4. Mr. Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from December 25, 2021.
5. Ms. Hetal Ukani is appointed as Director of the company with effect from August 12, 2021 and appointed as Whole time Director with effect from December 25, 2021.
6. Mr. Ambar Patel, Mr. Kunal Shah, Prof. (Dr.) Neharika Vohra, Dr. Bhushan Punani and Mr. Ramakrishnan Kasinathan are appointed as Independent Directors of the company with effect from January 10, 2022.
7. Mr. Maulik Jasani is appointed as VP Finance & Group CFO of the Company with effect from December 25, 2021.
8. Mr. Kiran Mohanty is appointed as Company Secretary & Chief Compliance officer of the company with effect from August 12, 2021.

Note :

1. Mr. Dilip Sanghvi is resigned from the position of Independent Director of the company with effect from December 25, 2021.
2. Designation of Mr. Falgun Shah has been changed from Chief Financial Officer to Head of Finance & Accounts - Solar EPC Division with effect from December 25, 2021.
3. Mr. Jitendra Mamtora is resigned from the position of Independent Director of the Company with effect from April 23, 2021.

D. Enterprise on which Director's and KMP's have Significant Influence and Control

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

* Harsha Renewable Energy Private Limited has been dissolved on April 6, 2022.

Application for change of name has been made on January 31, 2022 on account of merger which is currently under process.

E. Transactions During the year with Related Parties

1. Subsidiaries / Joint Ventures / Associates Transactions

₹ (in Lakhs)

Particulars	Investment In Equity / Partner's Capital / Current A/c / Profit Share from Associates / Joint Ventures		Sales of Goods / Assets / Lease Rent / Reimbursement		Purchase of Goods / Job work / Service/ Assets / Reimbursement	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Harsha Precision Bearing Components (China) Co., Ltd.	-	-	563	316	-	33
Harsha Engineers Europe SRL	-	-	64	235	1	111
Harsha Engineers BV	2,559	-	-	-	-	-
HASPL Americas Corporation	-	66	-	-	-	-
Cleanmax Harsha Solar LLP	(32)	17	0	0	-	-
Sunstream Green Energy One Pvt. Ltd.	0	1	-	-	-	-

₹ (in Lakhs)

Particulars	Interest Income		Loan Given	
	2021-22	2020-21	2021-22	2020-21
Harsha Precision Bearing Components (China) Co, Ltd.	61	72	483	-

2. Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Remuneration		Loan Accepted		Loan Repaid	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rajendra Shah	69	66	486	244	327	14
Harish Rangwala	69	66	1,151	150	1,545	300
Vishal Rangwala	180	172	-	-	-	-
Pilak Shah	150	140	245	-	225	-
Munjal Rangwala	7	60	-	-	-	63
Hetal Ukani	62	63	150	-	189	90
Maulik Jasani	55	46	-	-	-	-
Falgun Shah	37	39	-	-	-	-
Aastha Upadhyay	-	3	-	-	-	-
Kiran Mohanty	16	15	-	-	-	-

₹ (in Lakhs)

Particulars	Interest Expense		Sitting Fees		Sales of Goods	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rajendra Shah	36	17	-	-	-	-
Harish Rangwala	137	80	-	-	20	-
Pilak Shah	23	-	-	-	-	-
Munjal Rangwala	-	8	-	-	-	-
Hetal Ukani	18	6	-	-	-	-
Jitendra Mamtora	-	-	-	1	-	-
Ambar Patel	-	-	1	1	-	-
Kunal Shah	-	-	1	1	-	-
Prof. Dr. Neharika Vohra	-	-	1	1	-	-
BhushanLal Punani	-	-	0	-	-	-
Ramakrishnan Kasinathan	-	-	0	-	-	-

₹ (in Lakhs)

Particulars	Loan Given		Loan Received Back		Interest Income	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Kiran Mohanty	1	1	0	0	0	0

3. Relatives of Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Deposits Accepted		Deposits Repaid		Interest Expense	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Charusheela Rangwala	1,146	-	468	-	52	-
Nirmala Shah	620	250	478	-	51	-
Mili Mehta	-	-	154	3	12	0
Krina Shah	-	-	-	264	-	1
Vaishali Shah	100	-	117	-	11	1
Rajendra Shah (HUF)	-	17	99	-	7	8

₹ (in Lakhs)

Particulars	Purchase of Service	
	2021-22	2020-21
Maulik S. Jasani (HUF)	3	3

4. Enterprise on which Director's and KMP's have significant influence and control Transactions

₹ (in Lakhs)

Particulars	Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR		Sales of Goods / Assets / Lease Rent / Reimbursement		Loan Given	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Crest Creative Unit	3	3	-	-	-	-
Aastha Charitable Trust for Welfare Mentally Challenged	2	334	3	-	-	-
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity Scheme	2	1	-	-	-	-
Harsha Engineers Ltd. - Group Gratuity Scheme	7	7	-	-	-	-
Aastha Tools Pvt. Ltd. - Group Gratuity Scheme	-	0	-	-	-	-
Harsha Renewable Energy Private Limited	-	-	-	-	0	0
Daylight Solar Private Limited	-	-	-	-	0	0
First Light Asset Management Private Limited	-	-	-	-	0	0

₹ (in Lakhs)

Particulars	Loan Repaid	
	2021-22	2020-21
Harsha Renewable Energy Private Limited	0	-
Daylight Solar Private Limited	0	0
First Light Asset Management Private Limited	0	-

F. Outstanding Balance

1. Subsidiaries / Associates / Joint Ventures

₹ (in Lakhs)

Particulars	Investment In Equity / Partner's Capital / Current A/c / Profit Share from Associate / Joint Venture		Loan & Advance		Interest Receivables on loan	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Harsha Precision Bearings Components (China) Co., Ltd.	6,760	6,760	1,834	1,294	74	202
Harsha Engineers BV	13,612	11,053	-	-	-	466
HASPL Americas Corporation	67	67	-	-	-	-
Cleanmax Harsha Solar LLP	646	677	-	-	-	-
Sunstream Green Energy One Pvt. Ltd.	1	1	-	-	-	-

₹ (in Lakhs)

Particulars	Other Receivables		Other Payables	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Harsha Precision Bearings Components (China) Co., Ltd.	505	186	-	-
Harsha Engineers Europe SRL	14	262	-	275
Cleanmax Harsha Solar LLP	-	118	-	-

2. Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Loan		Interest Payable on Loan	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Rajendra Shah	486	328	-	-
Harish Rangwala	1,021	1,415	-	4
Pilak Shah	245	225	-	-
Munjal Rangwala	-	104	-	0
Hetal Ukani	150	189	-	-

₹ (in Lakhs)

Particulars	Remuneration Payable		Loan Receivable	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Rajendra Shah	32	34	-	-
Harish Rangwala	32	34	-	-
Vishal Rangwala	124	124	-	-
Pilak Shah	94	93	-	-
Munjal Rangwala	-	18	-	-
Hetal Ukani	32	34	-	-
Maulik Jasani	2	2	-	-
Falgun Shah	-	3	-	-
Aastha Upadhyay	-	0	-	-
Kiran Mohanty	1	1	1	1

3. Relatives of Key Managerial Personnel

₹ (in Lakhs)

Particulars	Deposit		Other Payable	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Charusheela Rangwala	1,018	236	-	-
Nirmala Shah	620	478		
Mili Mehta	-	154	-	-
Vaishali Shah	100	117	-	-
Rajendra Shah (HUF)	-	99	-	-
Maulik Jasani (HUF)	-	-	0	0

4. Enterprise on which Director's and KMP's have significant influence and control

₹ (in Lakhs)

Particulars	Loan & Advance	
	As at March 31, 2022	As at March 31, 2021
Harsha Renewable Energy Private Limited	-	0
First Light Asset Management Private Limited	-	0

NOTE 32. OTHER NOTES

32. 1. FOREIGN CURRENCY

Earning In Foreign Currency ₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Export Realisation	45,849	29,147
Interest on loan realised	644	251
TOTAL	**46,494**	**29,399**

Foreign Currency Outgo ₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Towards Import	2,144	2,237
Towards Foreign Expenses	2,070	1,501
Equity Investment in Subsidiaries	2,559	67
Loan To Subsidiaries	483	
Foreign Currency out flow / (inflow / refund) towards foreign travelling	1	1
TOTAL	**7,257**	**3,806**

32.2. FOREIGN CURRENCY EXPOSURE AT THE YEAR END NOT HEDGED BY DERIVATIVE INSTRUMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Foreign Receivables (Including Loans, if any)		
- Receivable in USD	5,958,478	4,870,053
- Receivable in EUR	2,906,550	2,786,616
- Receivable in CNY	10,228,540	1,678,958
- Receivable in JPY	23,684,426	15,472,576
- Receivable in THB	1,908,130	2,892,347
- Receivable in AED	-	
Equivalent Rs. In Lakhs (FEDAI rate considered)	**8,376**	**6,307**
Outstanding Foreign Payables (Including Loans, if any)		
- Payable in USD	2,641,540	67,054
- Payable in EUR	151,361	492,973
- Payable in SEK	48,365	163,619
- Payable in CNY	370,183	552,988
- Payable in JPY	1,012,500	-
Equivalent Rs. In Lakhs (FEDAI rate considered)	**2,184**	**547**

32.3. LEASES

The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

Disclosure in respect of assets taken on lease

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

II. The Company has acquired land on operating lease for the purpose of installation of windmill in the year 2004 and the details are as under:

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

III. The Company has acquired various cars for executives and some machines on operating lease and the details are as under.

Period of lease agreement	Three to Five Years
Total leasehold Cars & Machines	45 Nos.
Total lease rental & fleet management charges (with Tax)	Rs. 139 lakhs

32.4. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

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

₹ (in Lakhs)

Particulars	As At March 31, 2022	As At March 31, 2021
(a) Contigent Liablities Not Provided For		
(i) Letter of Credit / Corporate Guarantee / Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	12,245	15,799
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged	143	50
(iii) Claims against the company not acknowledged as debts:		
- Income Tax Matters	2,379	1,843
- Excise, Service Tax and GST Matters	106	106
- Sales Tax & Vat Matters	-	6
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others#	1,690	1,589
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,073	591

It includes Rs. 1500 lakhs of the City Civil Court, Bengaluru case filed by Orchestrate Systems Private Limited (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of Rs. 686 lakhs and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of Rs. 686 lakhs plus interest as per the said order dated May 4, 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company, Hearing on revival application is in process.

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

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

32.5. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

In accordance with the provisions of Section 135 of the Companies Act, 2013 a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company was not required to spend on CSR activities for FY 2021-22 as per section 135(5) of Companies Act 2013. Therefore, the Company did not spend on CSR activities during FY 2021-22.

₹ (in Lakhs)

Particulars	As At March 31, 2022	As At March 31, 2021
1. Gross amount required to be spent by the company (including transferor company) during the year	-	-
2. Details of amount spent during the year:		
Anandham Welfare of Mentally Challenged People (Aastha Charitable Trust for Welfare of the Mentally Challenged)	-	330
Swabhiman - to support girl child education (Smile Foundation)	-	0
Dry ration kit to persons with disabilities during covid-19 pandemic (Blind People's Association (India))	-	2
Total amount spent during the year by HEL (Transferor Company 3)	-	332
3. Amount unspent / (excess spent), if any	-	(332)
4. Provision movement during the year:		
Opening provision	(332)	-
Additions during the year	-	-
Utilised during the year*	-	(332)
Closing provision (Excess amount for set off,)	**(332)**	**(332)**

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

32.6. MERGER

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

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

(1) The assets and liabilities pertaining to the Amalgamating Companies vested in the Company have been accounted as provided in the Scheme, at their respective carrying values as appearing in their respective books on the opening hours of business on April 01, 2020 being the Appointed Date.

(2) The inter-corporate deposits / loans and advances outstanding between the Amalgamating Companies and the Company inter-se have been cancelled.

(3) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

(4) The balance of the retained earnings appearing in the financial statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamating Companies or is adjusted against General Reserve.

(5) The identity of the reserves are preserved and the reserves of the Amalgamating Companies become the reserves of the Company.

(6) The surplus / deficit of the share capital of the Amalgamating Companies over the value of investments in the shares of these companies appearing in the books of the Company and cancelled pursuant to the Scheme has been adjusted in the "Capital Reserve Account" of the Company. Further, as a result of merger the net difference amounting to Rs. 604 lakhs was debited to the Capital Reserve.

The total consideration for amalgamation is Rs. 7,225 lakhs, which is determined by exchange ratio of 3 shares of the Company against 1 share of HEL.

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

₹ (in Lakhs)

Particulars	As at April 1, 2020
Total Assets (A)	74,199
Total Liabilities (B)	(32,498)
Net assets taken over (C=A+B)	**41,701**
Reserves of Amalgamating Companies vested in the Company (D)	(39,269)
Net Equity taken over (E=C+D)	**2,431**
Cancellation of Investments in equity of ATPL, HEIPL, HSSPL, held by the HEL or Company as the case may be (F)	(311)
Share Capital Pending Reduction and Consolidation (Reduction in Face Value from Rs. 10 each to Re. 1 each of the Company followed by Consolidation of Re. 1 to Rs. 10) (G)	4,500
Share Capital Pending Allotment (Being consideration for amalgamation, 3 Equity Shares of the Company against 1 Equity Share of HEL to Share Holders of HEL, which is allotted on record date as per the Scheme) (H)	(7,225)
Difference on Amalgamation (Debited to the Capital Reserves) (I=E+F+G+H)	**(604)**

Scheme of Amalgamation - 2

The Company has also filed a Scheme of Amalgamation between Harsha Engineers B.V. and Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL", the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 along with other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals ("the Scheme of Amalgamation - 2") .

The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation - 2 being effective, the assets and liabilities pertaining to the Harsha Engineers B.V. will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.

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

32.7. SEGMENT REPORTING

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

32.8. EVENTS OCCURRING AFTER THE REPORTING DATE

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

Pursuant to the merger, the Company had made an application for adjudication of stamp duty order as required under Gujarat Stamp Act. Subsequently the Company has received demand notice from the office of the Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022 for the payment of stamp duty of Rs. 91,91,100 and same was paid by the Company. The Company has received the stamp adjudication order on April 28, 2022 stating the payment has been made as per section 32 of Gujarat Stamp Act.

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

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

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

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

32.11. 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 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 March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

4) As on the reporting date, the company has borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly statements are submitted , which is in line with the books of accounts of the company.

5) The Company has not been declared as willful defaulter (By virtue of Section 477 & 488 of The Companies Act, 2013) by any bank or financial institution or government or any government authority.

6) The Company has transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. and having outstanding balance at the year end as per below details:

₹ (in Lakhs)

Name of the struck off company	Nature of transactions with struck off company	Relationship with the struck off company, if any.	Balance outstanding	
			As At March 31, 2022	As At March 31, 2021
Metro Packaging Private Limited	Payables	Not Applicable	0	-
Harsha Renewable Energy Private Limited	Receivable	Having Common Director & Shareholders	-	0

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

8) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

9) **(A)** The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

NOTE 33 FINANCIAL RATIO

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(1) Current Ratio Current Ratio (Times)	**1.79**	**1.55**
% Change from previous year	15%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Current Ratio = Current Assets divided by Current Liabilities		
Current Assets	61,610	49,186
Current Liabilities	34,463	31,649
(2) Debt-Equity Ratio (Times)	**0.51**	**0.55**
% Change from previous year	-8%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Debt-Equity Ratio = Total debt (current and non-current borrowings & lease liabilities) divided by Total equity		
Total debt (current and non-current borrowings & lease liabilities)	28,960	25,422
Total equity	56,805	46,053

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	**March 31, 2021**
(3) Debt Service Coverage Ratio (Times)	**2.46**	**1.65**
% Change from previous year	49%	
Reason for change more than 25% : March 31, 2022 : Higher due to higher profitability.		
Debt Service Coverage Ratio = Profit after tax plus Depreciation and Amortisation expenses and Finance Costs divided by Debt Service (interest and 12 months principal repayment = Current Debt Obligation]		
Profit after tax Plus Depreciation and Finance cost	14,682	8,181
Debt Service = Current Debt Obligation (Interest and 12 months principal repayment)	5,961	4,964
(4) Return on Equity Ratio (%)	**19%**	**8%**
% Change from previous year	126%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue.		
Return on Equity Ratio = Net profit attributable to Equity Share holders (PAT-Profit After Tax) divided by Shareholders Equity		
Net profit attributable to Equity Share holders(PAT-Profit After Tax)	10,608	3,798
Total equity	56,805	46,053
(5) Inventory Turnover Ratio (Times)	**1.75**	**1.39**
% Change from previous year	26%	
Reason for change more than 25% : March 31, 2022 : High due to lower Inventory increase compare to higher material Cost.		
Inventory turnover ratio = Cost of materials consumed + Changes in inventories of finished goods, work-in-progress divided by Closing Inventories		
Cost of materials consumed + Changes in inventories of finished goods, work-in-progress	51,206	27,397
Closing Inventories	29,260	19,710
(6) Trade Receivables Turnover Ratio (Times)	**4.41**	**3.47**
% Change from previous year	27%	
Reason for change more than 25% : March 31, 2022 : High due to lower Inventory increase compare to higher Net Sales		
Trade Receivables Turnover Ratio = Net Sales divided by Closing Accounts Receivable		
Net Sales	94,342	57,009
Closing Accounts Receivable	21,376	16,452
(7) Trade payables Turnover Ratio (Times)	5.27	4.42
% Change from previous year	19%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Trade payables Turnover Ratio = Cost of materials consumed + Other Expenses - [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] divided by Closing Accounts Payables		
Cost of materials consumed + Other Expenses less - (+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	74,608	41,639
Closing Accounts Payables	14,160	9,429

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(8) Net Capital Turnover Ratio (Times)	**1.68**	**1.26**
% Change from previous year	33%	
Reason for change more than 25% : March 31, 2022 : High due to higher Revenue from operations		
Net Capital Turnover Ratio = Revenue from operations divided by Shareholder's Equity		
Revenue from operations	95,645	58,204
Total equity	56,805	46,053
(9) Net Profit Ratio (%)	**11%**	**7%**
% Change from previous year	70%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue and lower expenses.		
Net Profit Ratio (%) = Net profit (PAT-Profit After Tax) divided by Revenue from Operations		
Net profit (PAT-Profit After Tax)	10,608	3,798
Revenue from Operations	95,645	58,204
(10) Return on Capital Employed (%)	**24%**	**14%**
% Change from previous year	66%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue		
Return on Capital Employed (%) = Profit before interest and tax divided by Capital Employed (Total Equity + Total Long Term Borrowings + Total Lease Liability)		
Profit before interest and tax	16,411	7,796
Capital Employed (Total Equity + Long Term Borrowings + Lease Liability)	69,505	54,876
(11) Return on Investment (%)	**15%**	**9%**
% Change from previous year	75%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue		
Return on investment (%) = Profit before tax Plus Finance Cost divided by Total assets		
Profit before tax Plus Finance Cost	16,411	7,796
Total assets	1,06,152	88,129

NOTE 34

A. FINANCIAL INSTRUMENTS BY CATEGORY AND THEIR FAIR VALUE

₹ (in Lakhs)

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-		21,085	21,085	-	-	-	-
Loans								-
Non-current			1,839	1,839				
Current	-	-	1,304	1,304	-	-	-	-
Trade Receivables	-	-	21,376	21,376	-	-	-	-
Cash and Cash Equivalents	-	-	1,609	1,609	-	-	-	-
Other Bank Balances	-	-	1,590	1,590	-	-	-	-
Other financial assets								-
Non-current			64	64				-
Current	-	-	1,075	1,075	-	-		-
Total financial assets	**-**	**-**	**49,942**	**49,942**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
Non-current			12,580	12,580	-	-	-	-
Current			16,174	16,174	-	-	-	-
Lease liabilities								
Non-current			120	120	-	-	-	-
Current			86	86	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(497)	4,118	3,621	(497)	-	-	(497)
Trade Payables			14,160	14,160	-	-	-	-
Total financial liabilities	**-**	**(497)**	**47,238**	**46,741**	**(497)**	**-**	**-**	**(497)**

₹ (in Lakhs)

As at March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	250	-	250	250	-	-	250
Unquoted	-		18,558	18,558	-	-	-	-
Loans								-
Non-current			1,302	1,302				
Current	-	-	1,150	1,150	-	-	-	-
Trade Receivables	-	-	16,452	16,452	-	-	-	-
Cash and Cash Equivalents	-	-	2,543	2,543	-	-	-	-
Other Bank Balances	-	-	1,032	1,032	-	-	-	-
Other financial assets								-
Non-current			40	40				-
Current	-	-	695	695	-	-		-
Total financial assets	**-**	**250**	**41,772**	**42,022**	**250**	**-**	**-**	**250**
Financial liabilities								
Borrowings								
Non-current			8,642	8,642	-	-	-	-
Current			16,539	16,539	-	-	-	-
Lease liabilities								
Non-current			181	181	-	-	-	-
Current			60	60	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(336)	5,869	5,533	(336)	-	-	(336)
Trade Payables			9,429	9,429	-	-	-	-
Total financial liabilities	**-**	**(336)**	**40,720**	**40,384**	**(336)**	**-**	**-**	**(336)**

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Investments in subsidiaries and Investments in Joint venture / Associates are carried at amortised cost.

Types of inputs are as under:

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

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

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

B. MEASUREMENT OF FAIR VALUES

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Cross Currency Interest Rate Swaps	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

Transfers between Levels 1 and 2
There have been no transfers between Level 1 and Level 2 during the reporting years

Level 3 fair values
Movements in the values of unquoted equity instruments for the year ended March 31, 2021 and March 31, 2022 is as below:

₹ (in Lakhs)

Particulars	Amount
As at April 1, 2020	-
Acquisitions / (disposals)	250
Gains / (losses) recognised in other comprehensive income	0
As at March 31, 2021	**250**
Acquisitions / (disposals)	**(250)**
Gains / (losses) recognised in other comprehensive income	**0**
As at March 31, 2022	-

Transfer out of Level 3

There were no transfers out of level 3 during the year 2021-22 & year 2020-21.

C. FINANCIAL RISK MANAGEMENT

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

i. Credit risk

ii. Liquidity risk

iii. Market risk

(i) Credit risk

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

Trade receivables

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

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

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

Age of Receivables: **₹ (in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	13,828	9,583
0-3 Months	3,344	2,104
3-6 Months	119	343
6-12 Months	75	343
1-3 Years	85	254
>3 Years	3,925	3,825
Total	**21,376**	**16,452**

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

Other financial assets

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures as well as derivative instruments.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.
- Investments are made in credit worthy companies.
- Derivative instrument comprises cross currency interest rate swaps, forward contracts, options etc. where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

(ii) Liquidity risk

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

Exposure to liquidity risk

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

₹ (in Lakhs)

As at March 31, 2022	Contractual cash flows based on maturity			
	Carrying amount	**Total**	**Less than 12 months**	**More than 12 months**
Non-derivative financial liabilities				
Non current borrowings	12,580	12,580		12,580
Current borrowings	16,174	16,174	16,174	-
Non current lease liabilities	120	120		120
Current lease liabilities	86	86	86	
Non current financial liabilities	-	-		-
Current financial liabilities	4,118	4,118	4,118	-
Trade and other payables	14,160	14,160	14,160	-
Total	**47,238**	**47,238**	**34,538**	**12,700**

₹ (in Lakhs)

As at March 31, 2021	Contractual cash flows based on maturity			
	Carrying amount	**Total**	**Less than 12 months**	**More than 12 months**
Non-derivative financial liabilities				
Non current borrowings	8,642	8,642	-	8,642
Current borrowings	16,539	16,539	16,539	-
Non current lease liabilities	181	181		181
Current lease liabilities	60	60	60	
Non current financial liabilities	-	-	-	-
Current financial liabilities	5,869	5,869	5,869	-
Trade and other payables	9,429	9,429	9,429	-
Total	**40,720**	**40,720**	**31,897**	**8,823**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments.

Currency risk

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising out of the EURO, US Dollar, CNY & JPY. Accordingly, the foreign currency exposure and interest rate exposure has been hedged time to time as per the company's Risk management policy after evaluating the risk associated with.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

Interest rate risk

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

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

Sensitivity

The table below summarises the impact of increase / decrease of Debt funds and debt securities on the Companies' s Other Comprehensive Income for the year:

Particulars	Impact on Other Comprehensive Income	
	As at March 31, 2022	As at March 31, 2021
Debt funds and debt securities – increase by 0.50% in fair market value	0	1
Debt funds and debt securities – decrease by 0.50% in fair market value	0	(1)

D. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.

- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

The Company's debt to equity ratio is as follows: **₹ (in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Debt*	32,723	27,671
Total equity	56,805	46,053
Debt to total equity ratio	0.58:1 times	0.6:1 times

*Debt includes borrowings and current maturities of long term debt in other financial liabilities.

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

The accompanying notes (1 to 34) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited
and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

CA Chintan Shah
Managing Partner
M. No.: 110142

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Date : May 20, 2022
Place : Ahmedabad

INDEPENDENT AUDITORS' REPORT

To,
The Members of
HARSHA ENGINEERS INTERNATIONAL LIMITED
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **HARSHA ENGINEERS INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement, Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note - 34.3 in the accompanying Consolidated Ind AS Financial Statements which describes a composite scheme of arrangement involving inter alia the company and the related accounting treatment in respect of a common control business combination in accordance with certified order of the National Company Law Tribunal dated December 23, 2021 approving the same. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on December 24, 2021, being the effective date. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Consolidated Ind AS Financial Statements

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

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

We also identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicate in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 2 subsidiaries (Harsha Precision Bearing Components (China) Co. Ltd. & Harsha Engineers Europe SRL), whose financial statements reflect total assets of Rs. 3,49,34,75,299 as at March 31, 2022, total revenues of Rs. 3,71,06,71,329 and net cash inflows amounting to Rs. (2,23,40,123) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 13, 69,733 for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 joint ventures (Cleanmax Harsha Solar LLP) & 1 associates (Sunstream Green Energy One Pvt. Ltd.), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Certain of these subsidiaries / associates / joint ventures and joint operations are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries / associates / joint ventures and joint operations located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries / associates / joint ventures and joint operations located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The financial year of foreign subsidiaries is calendar year. In view of the same, audited accounts of the respective subsidiaries are prepared and audited as per the calendar year. However, for consolidation of annual accounts of the company the relevant figures of foreign subsidiaries have been drawn up to same reporting date as that of the Company, i.e., year ended on March 31, to enable the Company to consolidate the financial information of the subsidiary.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of subsection 11 of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in **Annexure - A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

i. The Company has no pending litigations which can significantly impact its financial position.

ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.

iii. The company is not requiring transferring any amount to the Investor Education and Protection fund.

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

CA Chintan Shah
Partner
(Membership No.: 110142)
UDIN : 22110142AJHWQV5366
Place : Ahmedabad
Date : May 20, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL LIMITED

(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **HARSHA ENGINEERS INTERNATIONAL LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Chintan Shah
Partner
(Membership No.: 110142)
UDIN : 22110142AJHWQV5366
Place : Ahmedabad
Date : May 20, 2022

Consolidated Balance Sheet as at March 31, 2022

₹ (in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	28,287	26,780
Capital Work-In-Progress	2	210	334
Goodwill on Consolidation	3	7,106	7,314
Other Intangible Assets	2	177	147
Financial Assets			
Investments	4	4	4
Loans & Advances	5	6	9
Other Financial Assets	6	64	40
Other Tax Assets [Net]	7	1,105	993
Other Non-Current Assets	8	865	780
Total Non-Current Assets		**37,824**	**36,401**
Current Assets			
Inventories	9	37,572	26,754
Financial Assets			
Investments	4	643	925
Trade Receivables	10	28,275	21,388
Cash and Cash Equivalents	11	2,141	3,305
Other Bank Balances	11	1,789	1,225
Loans & Advances	5	1,234	483
Other Financial Assets	6	1,075	695
Other Current Assets	8	5,273	6,932
Total Current Assets		**78,002**	**61,707**
TOTAL ASSETS		**115,826**	**98,108**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	7,725	5,000
Other Equity	13	44,461	37,717
Non-Controlling Interest	14	0	0
Total Equity		**52,186**	**42,717**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	13,784	10,151
Lease liabilities	16	552	758
Provisions	17	1,106	951
Deferred Tax Liabilities (Net)	18	395	200
Other Non-Current Liabilities	21	219	209
Total Non-Current Liabilities		**16,056**	**12,269**
Current Liabilities			
Financial Liabilities			
Borrowings	15	24,064	24,698
Lease liabilities	16	86	60
Trade Payables			
- Dues to Micro & Small Enterprises	19	953	425
- Dues to other than Micro & Small Enterprises	19	17,326	11,243
Other Financial Liabilities	20	2,351	2,626
Other Current Liabilities	21	2,382	3,982
Provisions	17	207	202
Current Tax Liabilities [Net]	22	215	(114)
Total Current Liabilities		**47,584**	**43,122**
Total Liabilities		**63,640**	**55,391**
TOTAL EQUITY AND LIABILITIES		**115,826**	**98,108**

Significant Accounting Policies 1
The accompanying notes (1 to 36) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

CA Chintan Shah
Managing Partner
M. No.: 110142

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Date : May 20, 2022
Place : Ahmedabad

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

₹ (in Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
INCOME			
Revenue from Operations	23	1,32,148	87,376
Other Income	24	1,752	298
TOTAL INCOME (A)		**1,33,900**	**87,674**
EXPENSES			
Cost of Materials Consumed	25	79,916	43,406
Change In Inventories of Finished Goods & Work-In-Progress	26	(5,947)	(1,933)
Employee Benefits Expenses	27	15,803	14,638
Finance Costs	28	2,456	2,999
Depreciation and Amortization Expenses	2	3,536	3,411
Other Expenses	29	25,473	19,082
TOTAL EXPENSES (B)		**1,21,237**	**81,603**
Profit / (Loss) Before Tax (C)=(A-B)		**12,663**	**6,071**
Tax expense			
Current Tax		3,325	-
Deferred Tax	31	143	1,528
Total Tax Expense (D)		**3,468**	**1,528**
Profit / (Loss) After Tax (E)=(D-C)		**9,195**	**4,543**
Less : Profit transferred to Non-Controlling Interest		0.00	0.00
Profit / (Loss) After Tax (After Non-Controlling Interest) (F)		**9,195**	**4,543**
Other Comprehensive Income			
i) Items that will be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		0	0
Gains / (Loss) of Cashflow Hedge		161	753
Income tax relating to these items	31	(41)	(189)
ii) Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	32	32	(65)
Income tax relating to these items	31	(8)	16
Other Comprehensive Income, net of tax (G)		**144**	**515**
Total Comprehensive Income (F+G)		**9,339**	**5,058**
Earning Per Equity Share (EPS)	30		
Basic (Rs.)		16.06	9.09
Diluted (Rs.)		16.06	5.88

Significant Accounting Policies 1
The accompanying notes (1 to 36) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
Place : Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Consolidated Cash Flow Statement for the year ended March 31, 2022

₹ (in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per statement of Profit & Loss	**12,663**	**6,071**
Adjustments for:		
Depreciation, Amortisation, Depletion & Impairment	3,536	3,411
Interest Income	(164)	(228)
Finance Cost	2,456	3,000
Loss / (Profit) on Sale of Investment	0	(1)
Foreign Currency Translation Reserve	338	157
Bad debts / Provision for doubtful trade receivables	36	48
Share of Loss / (Profit) from Joint venture / Associates	30	(17)
Loss / (Profit) on Sale of Assets	4	14
Operating Profit before Working Capital Changes	**18,899**	**12,455**
Adjustments for Changes in Working Capital		
Inventories	(10,818)	(3,560)
Trade Receivables	(6,923)	2,429
Other Current / Non-Current Assets	392	301
Trade Payables	6,611	522
Other Current / Non-Current Liabilities	(1,600)	(1,539)
Provisions	470	838
Other Financial Liabilities	(275)	788
Cash Generated from Operations	**6,756**	**12,234**
Income Taxes Paid	(3,110)	(114)
Net Cash Flow from Operating Activities (A)	**3,646**	**12,120**
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Fixed Assets (Net)	(4,953)	(3,979)
Sale / (Purchase) of Other Investments	282	(266)
Loans and Advances (Net)	(82)	(56)
Sale / (Purchase) of Investment in fixed deposits with bank (Net)	(564)	2,060
Interest Income	164	228
Share of Profit / Loss from Joint venture / Associates	(30)	17
Net Cash Flow from Investing Activities (B)	**(5,183)**	**(1,996)**
CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(2,456)	(3,000)
Borrowings (Net)	2,819	(6,248)
Availment / (Repayment) of Non-Current Liability	10	1
Net Cash Flow from Financing Activities (C)	**373**	**(9,247)**
Net Increase / (Decrease) in Cash and Cash equivalents (D) (A+B+C)	**(1,164)**	**877**
Cash and Cash Equivalents at the Beginning		
Cash on Hand	6	18
Balances with Banks	3,299	2,410
	3,305	**2,428**
Cash and Cash Equivalents at the End		
Cash on Hand	6	6
Balances with Banks	2,135	3,299
	2,141	**3,305**

The accompanying notes (1 to 36) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
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VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Consolidated Statement of Changes in Equity (SOCIE) for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

₹ (in Lakhs)

Particulars	No. of Shares	Amount
Issued, Subscribed and Paid up Share Capital		
Equity Shares of Rs. 10/- each fully paid up		
As at April 1, 2020	**50,000,000**	**5,000**
Add : Equity shares issued during the year	-	-
As at March 31, 2021@	50,000,000	5,000
Less : Reduction in Face Value of each equity shares from Rs. 10 to Re.1 @	-	(4,500)
Less : For consolidated into 1 Equity Share of the face value of Rs. 10/- each fully paid @	(45,000,000)	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. @	10	0
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date @	72,248,400	7,225
As at March 31, 2022	**77,248,410**	**7,725**

B. OTHER EQUITY

₹ (in Lakhs)

Particulars	Share Capital Pending Reduction & Allotment	Reserves & Surplus				Retained Earnings	Other Comprehensive Income	Total Other Equity
		Capital Reserves	Security Premium	General Reserve	Foreign Currency Translation Reserve			
Balance as at April 1, 2020	**2,725**	**(604)**	**75**	**2,382**	**1,226**	**26,881**	**(487)**	**32,198**
Profit for the year						4,543		4,543
Other comprehensive income for the year							515	515
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,543**	**515**	**5,058**
Addition / Deduction during the year				15	461			476
Utilised during the year						(15)		(15)
Transfer for Gratuity Actuarial Valuation						(29)	29	-
Balance as at March 31, 2021@	**2,725**	**(604)**	**75**	**2,397**	**1,687**	**31,380**	**57**	**37,717**
Profit for the year						9,195		9,195
Other comprehensive income for the year							144	144
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**9,195**	**144**	**9,339**
Utilised during the year @	(2,725)			-	130	-		(2,595)
Balance as at March 31, 2022	**-**	**(604)**	**75**	**2,397**	**1,817**	**40,575**	**201**	**44,461**

[@] Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 5,000 lakhs divided into 50,000,000 (Five crores) equity shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 500.00 lakhs divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3 / HEL) on record date, i.e. December 25, 2021. Accordingly the share capital has been increased to Rs. 7,724.8 lakhs divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Re. 10/- (Rupee ten only) each fully paid up. (Refer note 34.6).

The accompanying notes (1 to 36) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
Place : Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
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VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

Notes to the Consolidated Financial Statements for the financial year ended March 31, 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

I. GENERAL INFORMATION

Harsha Engineers International Ltd. (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited), is a public limited company, incorporated and domiciled in India, under the provisions of the Companies Act, 2013 ("HEIL" or "HASPL" or "the Company"). The company expresses itself as a Core Engineering as well as Solar-EPC and O&M company which focuses on continuous learning and developments, having experience to produce best Engineering products and provide best solar services as per customers requirement. Since its inception, the company undertakes turnkey projects, using solar photovoltaic (PV) technology, including polycrystalline and thin-film materials under it's Solar EPC segment, ranging from KW scale to MW scale. The Company has merged the group companies having Engineering business which are in the manufacturer of bearing cages having materials in form of brass, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through our subsidiaries. The registered office of the companies is located at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213, Gujarat, India.

These Consolidated financial statements comprise financial statements of the Company and its subsidiaries, associates & joint ventures (collectively referred to as the “Group”).

II. BASIS OF PREPARATION

(a) Statement of compliance with Ind AS

These consolidated financial statements are restated and 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, 2013 (the ‘Act’).

(b) 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, unless otherwise indicated.

(c) Basis of Measurement

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

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

(d) Use of Estimates and Judgements

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

Estimates

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

Judgements

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

Assumptions and Estimation Uncertainties

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

(e). Measurement of Fair Values

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

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

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

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

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

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

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

III. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR CONSOLIDATION

Subsidiaries, Joint Venture & Associates

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

The Consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard-(Ind AS).

II. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year / period end; any exchange difference arising on same is recognized in “Foreign Currency Translation Reserve”.

III. The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

IV. Non-controlling interest’s share of net profit / loss of consolidated subsidiaries for the year / period is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Group.

V. Non-controlling interest’s share of net assets of consolidated subsidiaries as at year / period is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group’s Shareholder.

VI. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

The annual financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on March 31. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary.

Joint Venture / Associates

The Company’s investments in its joint ventures or associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Company’s share of net assets of the joint ventures or associates since the acquisition date. The statement of profit and loss reflects the Company’s share of the results of operations of the joint ventures.

B. FOREIGN CURRENCY

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary-assets and liabilities denominated in foreign currency at year / period end exchange rate are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.

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

C. FINANCIAL INSTRUMENTS

1. Financial Assets

i) Classification

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

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

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

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

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

iii) Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL

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

- Financial assets at amortized cost

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

iv) Derecognition

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

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

2. Financial Liabilities

i) Classification, Subsequent Measurement and Gains and Losses

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

ii) Derecognition

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

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

3. Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

D. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

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

E. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

ii. Subsequent Expenditure

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

iii. Depreciation / Amortisation

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

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

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

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

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

Name of Subsidiaries	Basis of Depreciation
Harsha Engineers B.V (HEBV)	Straight Line Method
Harsha Precision Bearing Components (China) Co. Ltd. - HPBC(C)CL	Straight Line Method
Harsha Engineers Europe SRL - (HEE SRL)	Straight Line Method
HASPL Americas Corporation	Straight Line Method

iv. Derecognition

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

F. INTANGIBLE ASSETS

i. Initial Recognition and Classification

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

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

ii. Subsequent Expenditure

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

iii. Amortisation

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

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

iv. Derecognition

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

G. INVENTORIES

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

Cost of raw materials, stores and spares are determined on moving average basis.

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

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

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

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

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

H. IMPAIRMENT

i. Impairment of Financial Assets

The Group recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model. At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is ‘credit- impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

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

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

Measurement of Expected Credit Losses

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

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

Write-off

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

ii. Impairment of Non-Financial Assets

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

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

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

I. The list of Subsidiary Companies included in consolidation of the Company are as under:

Name of Subsidiaries	Country of Incorporation	Ownership Interest held by the group		Proportion of ownership interests and voting rights held by non-controlling interests	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Harsha Engineers BV (HEBV)	Neatherland	100%	100%	-	-
Harsha Precision Bearing Components (China) Co., Ltd. - HPBC(C)CL	China	100%	100%	-	-
Harsha Engineers Europe SRL- HEESRL**	Romania	99.9999%	99.9999%	0.0001%	0.0001%
HASPL Americas Corporation	America	100%	100%	-	-
** Subsidiary of Harsha Engineers BV (HEBV) - Stepdown subsidiary of the Company					

J. EMPLOYEE BENEFITS

i. Short Term Employee Benefits

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

ii. Defined Contribution Plan

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

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

iii. Defined Benefit Plan

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

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

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

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

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

L. REVENUE RECOGNITION

i. Sale of Goods

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

The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually in case of domestic, such transfer occurs when the product is sold on Delivered-at-Place (DAP); however, for exports transfer occurs as per Inco terms.

Revenue from contracts

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

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

Income from services

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

ii. Export Benefits

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

M. RECOGNITION OF DIVIDEND INCOME, INTEREST INCOME

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

N. INCOME TAX

The Group and other Indian subsidiaries

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

i. Current Tax

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

Foreign Companies

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

ii. Deferred Tax

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

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

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

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

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

iii. Minimum alternate tax (MAT)

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

O. CASH AND CASH EQUIVALENTS

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

P. BORROWING COST

Borrowing Cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Q. LEASE

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

Lease accounting

As a lessee

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

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

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

As a lessor

Finance lease

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

Operating lease

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

A. another systematic basis is more representative of the time pattern of the user's benefit; or

B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

C. the lease asset capitalised and recognised as an asset in the books.

R. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Group by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per Share is calculated by dividing 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.

S. CASH FLOW STATEMENT

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

T. BUSINESS COMBINATIONS

Business combinations (other than common control business combinations)

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

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

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

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

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.

NOTE 2. PROPERTY, PLANT & EQUIPMENT

₹ (in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2022												
	Gross Block					Depreciation and Amortization					Net Block	
Particulars	As at April 1, 2021	Addition during the year	Disposal / Adjustment	Translation adjustment	As at March 31, 2022	As at April 1, 2021	For the year ^	Translation adjustment	Disposal / Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Property, Plant & Equipment												
Land	1,213	-	-	45	1,258	41	14	3	-	58	1,200	1,172
Buildings	10,353	291	-	214	10,858	2,696	398	9	-	3,103	7,755	7,657
Plant And Machineries	46,924	3,886	412	354	50,752	32,675	2,395	305	233	35,142	15,610	14,249
Furniture And Fittings	1,056	198	-	4	1,258	695	71	1	-	767	491	361
Vehicles	317	-	20	1	298	152	32	-	17	167	131	165
Office Equipments	440	28	3	-	465	340	26	1	3	364	101	100
Electric Installation	2,412	237	16	32	2,665	1,313	189	8	1	1,509	1,156	1,099
Computer & Peripherals	558	34	-	4	596	454	37	1	1	491	105	104
Solar Generation Plant	2,123	-	-	-	2,123	616	79	-	-	695	1,428	1,507
Wind Mill	573	-	-	-	573	432	21	-	-	453	120	141
Right of Use Assets-Lease	356	46	15	-	387	131	81	-	15	197	190	225
TOTAL (A)	**66,325**	**4,720**	**466**	**654**	**71,233**	**39,545**	**3,343**	**328**	**270**	**42,946**	**28,287**	**26,780**
Other Intangible Assets												
Computer software	1,006	79	1	-	1,084	859	54	(6)	-	907	177	147
TOTAL (B)	**1,006**	**79**	**1**	**-**	**1,084**	**859**	**54**	**(6)**	**-**	**907**	**177**	**147**
TOTAL (A+B)	**67,331**	**4,799**	**467**	**654**	**72,317**	**40,404**	**3,397**	**322**	**270**	**43,853**	**28,464**	**26,927**

^ Note : 1. Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes Rs. 139 lakhs due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

Note : 2. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

Note : 3. As the company does not have revalued intangible asset hence, disclosure related to revaluation of intangible asset is not made.

Capital Work-in-progress aging schedule as at March 31, 2022

₹ (in Lakhs)

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	210	-	-	-	210
Projects temporarily suspended	-	-	-	-	-

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

₹ (in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2021												
Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at April 1, 2020	Addition during the year	Disposal / Adjustment	Translation adjustment	As at March 31, 2021	As at April 1, 2020	For the year ^	Translation adjustment	Disposal / Adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Property, Plant & Equipment												
Land	1,183	-	-	30	1,213	27	12	2	-	41	1,172	1,156
Buildings	9,761	449	2	145	10,353	2,313	375	8	-	2,696	7,657	7,448
Plant And Machineries	43,961	2,742	381	602	46,924	30,251	2,324	471	371	32,675	14,249	13,710
Furniture And Fittings	1,030	37	12	1	1,056	635	68	1	9	695	361	395
Vehicles	313	5	3	2	317	123	31	1	3	152	165	190
Office Equipments	453	14	33	6	440	337	28	5	30	340	100	116
Electric Installation	2,234	194	34	18	2,412	1,169	168	4	28	1,313	1,099	1,065
Computer & Peripherals	518	61	22	1	558	434	39	-	19	454	104	84
Solar Generation Plant	2,123	-	-	-	2,123	538	78	-	-	616	1,507	1,585
Wind Mill	573	-	-	-	573	411	21	-	-	432	141	162
Right of Use Assets-Lease	420	72	136	-	356	129	131	-	129	131	225	291
TOTAL (A)	**62,569**	**3,574**	**623**	**805**	**66,325**	**36,367**	**3,275**	**492**	**589**	**39,545**	**26,780**	**26,202**
Other Intangible Assets												
Computer software	969	54	26	9	1,006	801	65	6	13	859	147	168
TOTAL (B)	**969**	**54**	**26**	**9**	**1,006**	**801**	**65**	**6**	**13**	**859**	**147**	**168**
TOTAL (A+B)	**63,538**	**3,628**	**649**	**814**	**67,331**	**37,168**	**3,340**	**498**	**602**	**40,404**	**26,927**	**26,370**

^ Note : 1. Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes Rs. 70 lakhs due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

Note : 2. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

Note : 3. As the company does not have revalued intangible asset hence, disclosure related to revaluation of intangible asset is not made.

Capital Work-in-progress aging schedule as atMarch 31, 2021

₹ (in Lakhs)

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	334	-	-	-	334
Projects temporarily suspended	-	-	-	-	-

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

NOTE 3. GOODWILL ON CONSOLIDATION

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Goodwill on Consolidation	7,106	7,314
Total Goodwill on Consolidation	**7,106**	**7,314**

NOTE 4. INVESTMENTS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current **Investments in Joint venture / Associates** (Measured at Amortised cost)		
Sunstream Green Energy One Pvt. Ltd. 2600 Fully paid up Equity shares of Rs. 10 each (Extent of Holding-26%) Principal Place of Business : India	1	1
Cleanmax Harsha Solar LLP - Capital A/c. Capital contribution of ₹250,000 (Voting Rights and Profit Sharing of 50%) Principal Place of Business : India	3	3
Total Non-Current Investments	**4**	**4**
Current **Mutual Fund**	-	250
(IDFC Overnight Fund - Direct Plan - Growth (Units-22772.014 & NAV @1097.8824))		
Cleanmax Harsha Solar LLP Current A/c	643	675
Total Current Investments	**643**	**925**

NOTE 5. LOANS & ADVANCES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
(Unsecured, Considered Good)		
Loans to Employees	5	8
Other Loan & Advances	1	1
Total Non-Current Loans & Advances	**6**	**9**
Current		
(Unsecured, Considered Good)		
Loan To Employees	17	21
Share Issue Expenses #	400	-
Other Trade Receivable -Un billed Revenue	636	434
Other Trade Receivable -Subsidy Receivable	-	54
Interest & Other Income Receivable	181	(26)
Total Current Loans & Advances	**1,234**	**483**

The Company has decided to proceed with the IPO activity and file the Draft Red Herring Prospectus (DRHP) on February 3, 2022 with SEBI & Stock Exchanges. The issue expenses on the consummation of the IPO will be shared between the Company and the selling shareholders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling shareholders in the offer for sale.

NOTE 6. OTHER FINANCIAL ASSETS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Security Deposits	64	40
Total Non-Current Other Financial Assets	**64**	**40**
Current		
Export Benefits Receivables	1,070	690
Security Deposits	5	5
Total Current Other Financial Assets	**1,075**	**695**

NOTE 7. OTHER TAX ASSETS [NET]

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance Payment of Tax (Net of Provisions)	1,105	993
Total Other Tax Assets [Net]	**1,105**	**993**

NOTE 8. OTHER ASSETS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital Advances	378	184
Prepaid Expenses	131	142
Long Term Deferred Expenses	356	454
Total Other Non-Current Assets	**865**	**780**
Current		
Balances With Government Authority	2,797	2,330
Prepaid Expenses	555	597
Advances To Suppliers	1,921	4,005
Total Other Current Assets	**5,273**	**6,932**

NOTE 9. INVENTORIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material	8,203	4,715
Semi Finished	2,661	2,286
Finished	14,232	9,895
Stores & Spares	1,868	1,535
Toolings	9,034	7,799
Project bought-out Components-Solar	1,574	524
Total Inventories	**37,572**	**26,754**

NOTE 10. TRADE RECEIVABLES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and Considered Good		
Trade Receivables	28,868	21,989
Less : Provision for doubtful trade receivables	593	601
Total Trade Receivables	**28,275**	**21,388**

Age of Receivables:

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	19,641	14,061
0-3 Months	4,224	2,292
3-6 Months	202	355
6-12 Months	132	352
1-3 Years	96	444
>3 Years	3,980	3,884
Total	**28,275**	**21,388**

NOTE 11. CASH AND BANK BALANCES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on Hand	6	6
Balances with Banks	2,135	3,299
Total Cash and Cash Equivalents	**2,141**	**3,305**
Other Bank Balances #		
In Fixed Deposit Accounts	1,789	1,225
Total Other Bank Balances	**1,789**	**1,225**
Total Cash and Bank Balances	**3,930**	**4,530**
# Note :		
1. Includes Lien Marked FD maintain as a margin money for Bank Guarantees, Letter of Credits and Overdraft facility.	904	877
2.Includes Balance maintained in Debt Service Reserve Account as per sanction	199	193

NOTE 12. EQUITY SHARE CAPITAL

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
Equity Number of shares	100,000,000	50,000,000
Equity Shares of Rs. 10/- each	10,000	5,000
Total	**10,000**	**5,000**

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order December 23, 2021 and became effective from December 24, 2021, the authorized share capital of the ATPL, HEIPL, HEL & HSPPL (Transferor Companies), amounting to Rs. 2,000,000 (Rupees Twenty Lakhs Only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 100/- (Rupees Hundred) each and Rs. 1,00,00,000 (Rupees One Crores Only) consisting of 1,000,000 (Ten Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and Rs. 350,000,000 (Rupees Thirty-Five Crores only) consisting of 35,000,000 (Three Crores and Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and Rs. 200,000 (Rupees Two Lakhs only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 10/- (Rupees Ten) each respectively has been consolidated with the authorized share capital of the HASPL (Transferee Company) hence as a result the Authorized Share Capital of the Company has been increased from Rs. 500,000,000/- (Rupees Fifty Crores) to Rs. 862,200,000/- (Rupees Eighty Six Crores Twenty Two Lakhs). [Refer Note 34.3]

Further, increased in authorised share capital from Rs. 8,622 lakhs divided into 86,220,000 Equity Shares of Rs. 10/- each to Rs. 10,000 lakhs divided into 100,000,000 Equity Shares of Rs. 10/- each.

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Issued, Subscribed and Paid up Capital		
Equity Number of shares	77,248,410	50,000,000
Equity Shares of Rs. 10/- each	7,725	5,000
Total	**7,725**	**5,000**

Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 5,000 lakhs divided into 50,000,000 (Five crores) equity shares of Rs 10/- (Rupees Ten only) each fully paid up to Rs. 500 lakhs divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3 / HEL) on record date, i.e. December 25, 2021. Accordingly the share capital has been increased to Rs. 7,724.80 lakhs divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Re. 10/- (Rupee ten only) each fully paid up. (Refer note 34.3).

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

Particulars	No. of Shares	Amount (Rs. in Lakhs)
At the beginning of the year	50,000,000	5,000
Add : Shares issued during the year	-	-
As at March 31, 2021	**50,000,000**	**5,000**
At the beginning of the year	50,000,000	5,000
Less : Reduction in Face Value of each equity shares from Rs. 10 to Re. 1	-	(4,500)
Less : For consolidated into 1 Equity Share of the face value of Rs. 10/- each fully paid	(45,000,000)	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par.	10	0
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date	72,248,400	7,225
As at March 31, 2022	**77,248,410**	**7,725**

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

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2021 No. of shares
Name of Shareholder		
Mr. Rajendra Shah	15,413,550	9,976,614
Mr. Harish Rangwala	13,479,089	13,255,348
Ms. Charusheela Rangwala	12,719,487	8,679,792
Ms. Nirmala Shah	9,622,530	7,473,799
Mr. Vishal Rangwala	7,769,829	498,281
Mr. Pilak Shah	7,698,281	4,982,809
Ms. Tanvi Rangwala	4,539,663	996,566
% Holding in Equity Shares		
Mr. Rajendra Shah	19.95%	19.95%
Mr. Harish Rangwala	17.45%	26.51%
Ms. Charusheela Rangwala	16.47%	17.36%
Ms. Nirmala Shah	12.46%	14.95%
Mr. Vishal Rangwala	10.06%	1.00%
Mr. Pilak Shah	9.97%	9.97%
Ms. Tanvi Rangwala	5.88%	1.99%

Shareholding of Promoters

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2021 No. of shares
Mr. Rajendra Shah	15,413,550	99,76,614
% Holding in Total Equity Shares	19.95%	19.95%
% change during the year	0.00%	
Mr. Harish Rangwala	13,479,089	1,32,55,348
% Holding in Total Equity Shares	17.45%	26.51%
% change during the year	(9.06%)	
Mr. Vishal Rangwala	7,769,829	4,98,281
% Holding in Total Equity Shares	10.06%	1.00%
% change during the year	9.06%	
Mr. Pilak Shah	7,698,281	49,82,809
% Holding in Total Equity Shares	9.97%	9.97%
% change during the year	0.00%	

NOTE 13. OTHER EQUITY

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital Pending Reduction & Allotment - Arising pursuant to the Scheme [Refer Note 34.3]	-	2,725
Capital Reserves-Arising pursuant to the Scheme [Refer Note 34.3]	(604)	(604)
Security Premium	75	75
General Reserve	2,397	2,397
Retained Earnings	40,575	31,380
Foreign Currency Translation Reserve	1,817	1,687
Other Comprehensive Income	201	57
Total Other Equity	**44,461**	**37,717**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital Pending Reduction & Allotment		
Opening Balance	2,725	2,725
Less : Utilised during the year	(2,725)	-
Total Share Capital Pending Reduction & Allotment	**-**	**2,725**

Share Capital Pending Reduction & Allotment represents share capital pending reduction in Face Value from Rs. 10 to Re.1 of the Company's Equity Capital and also additional shares to be issued as amalgamation consideration on merger to shareholders of Harsha Engineers Limited. Since, the appointed date as per the Scheme is April 1, 2020 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, the scheme is required to be accounted from the beginning of the preceding period in the financial statements i.e. April 1, 2020, accordingly share capital reduction and additional shares to be issued on merger to shareholders of Harsha Engineers Limited have been accounted as Share Capital Pending Reduction & Allotment on April 1, 2019. Share capital Reduction in Face Value from Rs. 10 to Re. 1 has been effected on December 24, 2021 being effective date followed by consolidation of 10 shares of Rupee 1 each to 1 share of Rs. 10 each. Also the Company has issued 72,248,400 shares as consideration on record date i.e. December 25, 2021. Accordingly, on December 25, 2021, the balance lying in Share Capital Pending Reduction & Allotment account has been transferred to equity share capital (Refer note 34.3).

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserves		
Opening Balance	(604)	(604)
Total Capital Reserves	**(604)**	**(604)**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Premium		
Opening Balance	75	75
Total Security Premium	**75**	**75**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve		
Opening Balance	2,397	2,382
Add : Transfer During the Year / (Reversal of Merger Premium)	-	15
Total General Reserve	**2,397**	**2,397**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Opening Balance	31,380	26,881
Add : Profit during the year	9,195	4,543
Less : Transfer To General Reserve	-	(15)
Less : Adjustment of Gratuity as per Actuarial Valuation Report	-	(29)
Total Retained Earnings	**40,575**	**31,380**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign Currency Translation Reserve		
Opening Balance	1,687	1,226
Increase / (Decrease) During the Year	130	461
Total Reserves FCTR	**1,817**	**1,687**

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Comprehensive Income (OCI)		
Opening Balance	57	(487)
Increase / (Decrease) During the Year	193	688
Adjustment of Gratuity as per Actuarial Valuation Report	-	29
Income Tax relating to above item	(49)	(173)
Total Other Comprehensive Income (OCI)	**201**	**57**

NOTE 14. NON-CONTROLLING INTEREST

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Controlling Interest	0	0
Total Non-Controlling Interest	**0**	**0**

NOTE 15. BORROWINGS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Borrowings		
Secured		
RBL Bank Ltd	-	1,124
RBL Bank Ltd (ECLGS 2.0)	744	1,006
State Bank of India, China	1,204	1,509
HDFC Bank Ltd.	4,475	2,220
HDFC Bank Ltd. (ECLGS 2.0)	3,160	4,244
Kotak Mahindra Bank Limited	-	48
Unsecured		
Loan from Director	1,901	-
Deposit From Shareholders	2,300	-
Total Non-Current Borrowings	**13,784**	**10,151**

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

(1) RBL Bank Limited - Engineering Segment

a) Security:

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

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

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

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

a) Security:

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

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

Prepayment : No prepayment penalty shall be charged

(3) State Bank of India, Sanghai Branch, China

a) Security:

1) Entire Stocks, receivable and other current assets-Existing & future of Harsha, China (HPBC(C)CL)
2) Land use rights located at east area of Fuhua Road, North area of Tonggang Road, Changshu Economic Development Zone, Changshu, PRC
3) Fixed assets acquired in the project of Harsha China (HPBC(C)CL)
4) Existing machineries of the merged entity i.e. Harsha China (HPBC(C)CL)
5) Corporate Guarantee of Harsha Engineers Ltd, India

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

1) Total unsecured loan extended to the company should not be repaid during currency of parent company's advance (as per ABS the unsecured loan is RMB 97.5 lakhs)
2) Default interests shall carry at the rate of 150% of loan contractual rate per annum, till date of payment of the defaulted amount.
3) If the credit rating awarded to the unit is below SB-10, the risk rating will be reviewed half yearly. The unit should provide necessary information to facilitate such a review. In the absence of half-yearly review for want of such information, the risk rating will automatically slip by one step.
4) Prepayment penalty of 1% of the prepaid amount would be charged. However, if the prepayment is made from the company's own sources no charges applicable.

(4) HDFC Bank Limited -Engineering Segment

a) Security:

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

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

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

(5) HDFC Bank Limited (WCTL UNDER ECLG 2.0) - Engineering Segment

a) Security:
Extension of second ranking charge over existing primary and collateral securities created in favour of the Bank i.e.

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

(6) Kotak Mahindra Bank Limited - Engineering Segment

a) Security:
Secured by hypothecation of Staff buses availed out of the said term loans.

Rate of interest ranges from 1.50% to 9% p.a . On Long Term Borrowing
Rate of interest ranges from 10% to 11% p.a . On Loan from Directors
Rate of interest ranges from 10% to 11% p.a . On Deposit from Shareholders / Loan from Director's Relatives

Terms of Repayments:
Non- Current Borrowing

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1-2 Years	3,122	3,623
2-3 Years	7,323	2,390
3-4 Years	2,464	2,390
Beyond 4 Years	875	1,748
Total	**13,784**	**10,151**

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

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Borrowings		
Secured		
State Bank of India	2,432	1,766
Citi Bank	8,261	7,438
YES Bank Ltd	993	1,464
RBL Bank Ltd	3,150	2,446
HDFC Bank Ltd	900	600
ICICI Bank Ltd	1,000	-
Current maturities of long term debt	4,176	5,088
Unsecured		
Loan from Bank	3,152	2,000
Loan from Director	-	2,072
Deposit from Shareholders / Loan from Director's Relatives	-	1,824
Total Current Borrowings	**24,064**	**24,698**

Security for Current Borrowings

(1) State Bank of India :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of of the Engineering Division first ranking pari passu with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. and HDFC Bank Ltd. Collaterally secured by way of hypothecation over the entire plant & machinery of the Engineering Division's Changodar and Moraiya Plant (excluding Brass Division at Moraiya Plant hypothecated to Citibank NA.; DGBB Division at Changodar Plant hypothecated to ICICI Bank Limited; Exclusive Assets hypothecated to HDFC Bank Limited and RBL Bank Limited on pari passu basis); **For Harsha, China (HPBC(C)CL)** - Secured by entire stocks, receivable and other current assets (existing and future), Land use rights, Fixed assets acquired in the project, existing machineries of China company and corporate grantee of the Engineering Division.

(2) Citi Bank :
Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Yes Bank Limited, RBL Bank Limited and HDFC Bank Limited; **For Harsha China(HPBC(C)CL)** - Secured against SBLC of Citi Bank N.A.; **For Harsha, Romania(HEESRL)** - Secured against SBLC of Citi Bank N.A.

(3) YES Bank Ltd :

Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., RBL Bank Limited and HDFC Bank Limited and **for Solar Segment** Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with RBL Bank Ltd. by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future excluding project specific charge.

(4) RBL Bank Ltd :

Engineering Segment for Harsha India - Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and HDFC Bank Limited and **for Solar Segment** Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with YES Bank Ltd by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future.

(5) HDFC Bank Ltd :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and RBL Bank Limited

(6) ICICI Bank Ltd :

Engineering Segment for Harsha India - Secured by first charges on all movables assets of DGBB Division, Changodar.

NOTE 16. LEASE LIABILITY

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Lease Liability	552	758
Total Non-Current Lease Liability	**552**	**758**
Current		
Lease Liability	86	60
Total Current Lease Liability	**86**	**60**

NOTE 17. PROVISIONS

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision For Employees Benefits, Refer Note : 32	1,106	951
Total Non-Current Provisions	**1,106**	**951**
Current		
Provision For Employees Benefits, Refer Note : 32	207	202
Total Current Provisions	**207**	**202**

NOTE 18. DEFERRED TAX LIABILITY / (ASSET)

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability	1,403	1,199
Less : Deferred Tax Asset	1,008	999
Net Deferred Tax Liability / (Asset)	**395**	**200**

NOTE 19. TRADE PAYABLES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to Micro and Small Enterprises [#]	953	425
Dues to other than Micro and Small Enterprises	17,326	11,243
Total Trade Payables	**18,280**	**11,668**

Age of Payables:

Outstanding for following periods from due date of payment

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) MSME		
Not Due	953	384
0-12 Months	-	30
1-2 Years	-	4
2-3 Years	-	-
>3 Years	-	7
Sub Total	**953**	**425**
(ii) Other		
Not Due	9,911	5,108
0-12 Months	7,143	5,620
1-2 Years	22	184
2-3 Years	23	303
>3 Years	221	28
Sub Total	**17,320**	**11,243**
Grand Total	**18,273**	**11,668**

[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March has been compiled in respect of parties to the extent to which they could be identified as Suppliers under the Micro, Small and Medium Enterprises Act, on the basis of information available with the Company & provided by the supplier. All above information is compiled , only after the information available with the company.

A: Principal amount remaining unpaid to any supplier as at year end	953	425
B: Interest due thereon	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	64
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-

NOTE 20. OTHER FINANCIAL LIABILITIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	83	285
Accrued Expenses	2,765	2,677
Derivative Liability / (Asset)	(497)	(336)
Total Other Current Financial Liabilities	**2,351**	**2,626**

NOTE 21. OTHER LIABILITIES

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Contingent Deposit From Vendors	216	176
Advance from Staffs	3	33
Total Non-Current Liabilities	**219**	**209**
Current		
Statutory Liabilities	1,353	1,278
Advance from Customers	1,003	2,679
Asset Retirement Obligation - ARO	26	25
Total Current Liabilities	**2,382**	**3,982**

NOTE 22. CURRENT TAX LIABILITIES [NET]

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Provision for Taxation (Net of Advance Tax)	215	(114)
Total Current Tax Liabilities [Net]	**215**	**(114)**

NOTE 23. REVENUE FROM OPERATIONS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of Products & Services		
(a) Sale of Products	1,29,049	84,757
(b) Sale of Services	1,594	1,456
(c) Unbilled Revenue	202	(32)
Total	**1,30,845**	**86,181**
Other Operating Revenues		
Exports Benefits	1,133	1,003
Solar Power Generation	170	192
Total	**1,303**	**1,195**
Total Revenue from Operations	**1,32,148**	**87,376**

NOTE 24. OTHER INCOME

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	164	228
Subsidy Income	-	(1)
Share of Profit / Loss from Cleanmax Harsha Solar LLP	(30)	17
Share of Profit / Loss from Sunstream Green Energy One Pvt. Ltd.	0	0
Gain / (Loss) on Exchange Rate Fluctuation	1,305	394
Gain / (Loss) on Exchange Rate Fluctuation-Curr. Revaluation	202	(409)
Miscellaneous Income	111	68
Other Income-Non -Operating		
Gain / (Loss) on Sale of Investment	0	1
Total Other Income	**1,752**	**298**

NOTE 25. COST OF MATERIALS CONSUMED

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost of Material Consumed	79,916	43,406
Total Cost of Materials Consumed	**79,916**	**43,406**

NOTE 26. CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Finished Goods Opening Stock	9,895	7,934
Less : Finished Goods Closing Stock	(14,232)	(9,895)
Total	**(4,337)**	**(1,961)**
Semi Finished Goods Opening Stock	2,286	2,337
Less : Semi Finished Goods Closing Stock	(2,661)	(2,286)
Total	**(375)**	**51**
Toolings Opening Stock	7,799	7,776
Less : Toolings Closing Stock	(9,034)	(7,799)
Total	**(1,235)**	**(23)**
Total Change In Inventories Of Finished Goods & Work-In-Progress	**(5,947)**	**(1,933)**

NOTE 27. EMPLOYEE BENEFIT EXPENSES

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages & Bonus Etc.	14,317	13,232
Contribution To PF, ESI Etc.	772	689
Staff Welfare	714	717
Total Employee Benefit Expenses	**15,803**	**14,638**

NOTE 28. FINANCE COSTS

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense		
On Term Loans	735	1,235
On Working Capital Loans	1,023	1,225
On Deposits	403	175
On Others	60	23
	2,221	**2,658**
Other Borrowing Costs		
Bank Charges & Processing Fees	233	339
Unwinding of discount on provision of Asset Retirement Obligation	2	2
	235	**341**
Total Finance Costs	**2,456**	**2,999**

NOTE 29. OTHER EXPENSES

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Stores & Packing		
Stores & Spares Consumed	4,896	3,472
Packing Materials Consumed	2,897	1,737
Total (A)	**7,793**	**5,209**
(B) Power & Fuel		
Power & Fuel Consumption (Net)	4,128	3,089
Total (B)	**4,128**	**3,089**
(C) Operative Expenses		
Machinery Repairs & Maintenance	757	875
Civil and Fabrication Charges	8	12
Installation & Commissioning charges	321	215
Contractor-Labour Charges	2,468	1,773
Other Operative Expenses	625	327
Total (C)	**4,179**	**3,202**
(D) Administrative & Other Expenses		
Advertisement & Sales Promotion	97	228
Celebration Expenses	29	18
Computer Expenses	207	167
Corporate Social Responsibility(CSR)	-	332
Donations	-	2
Freight, Forwarding & Clearing Exp	5,491	3,036
Insurance Premium	214	242
Legal & Professional Exp	551	935
Rent & Fleet Management Expenses	802	770
Loss / (Profit) on Sale of Fixed Assets	4	14
Repairs & Maintenance	265	189
Rates & Taxes	80	109
Security & Housekeeping Expenses	415	462
Stationery, Printing & Communication Expenses	131	109
Staff Training, Membership & Subscription	55	34
Net Sundry Balance write off / Bad debts	45	39
Provision for doubtful debts	(9)	10
Traveling & Conveyance Expenses	170	79
Miscellaneous expenses	826	807
Total (D)	**9,373**	**7,582**
Total Other Expenses (A+B+C+D)	**25,473**	**19,082**

NOTE 30. EARNING PER SHARE

₹ (in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax attributable to Equity Holders	9,195	4,543
Weighted average number of Equity Shares for Basic EPS	5,72,41,358	5,00,00,000
Weighted Average additional Potential Equity Shares Pursuant to the Scheme *	-	2,72,48,410
Weighted average number of Diluted Shares for Diluted EPS	5,72,41,358	7,72,48,410
Nominal value per equity share (Rs.)	10.00	10.00
Earnings Per Share (Rs.)		
Basic	16.06	9.09
Diluted	16.06	5.88

[*] Refer Note-34.3

NOTE 31. DEFERRED TAX ASSET / (LIABILITIES) [NET]

Movement in deferred tax balances

₹ (in Lakhs)

Particulars	Net balance April 1, 2021	For the year ended March 31, 2022			As at March 31, 2022	
		Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Asset / (Liabilities)						
Fixed Assets	(1,021)	(48)		(1,069)	-	(1,069)
Lease Liability	59	(7)		52	52	-
Bonus and Ex-gratia Payable	1	1		2	2	-
Gratuity	151	50	-	201	201	-
Leave Encashment	63	(2)		61	61	-
ERF-Curr.Revaluation	(73)	(23)		(96)	-	(96)
ARO Provision	6	1		7	7	-
ARO Assets	-	-		-	-	-
Derivative Assets	-	(85)	-	(85)	-	(85)
Donation	-	-		-	-	-
Cumulative C/F Business Loss	491	(27)		464	464	-
Provision of doubtful Debts	151	(2)		149	149	-
O&M Income Receivable	(19)	1		(18)	-	(18)
Amortized Merger Expenses		(9)		(9)	-	(9)
Professional Tax Payable		4		4	4	-
Remeasurement of Gratuity (OCI)	76	-	(8)	68	68	-
Cash Flow Hedge (OCI)	(85)	-	(41)	(126)	-	(126)
Deferred tax assets / (liabilities)	**(200)**	**(146)**	**(49)**	**(395)**	**1,008**	**(1,403)**

Movement in deferred tax balances

₹ (in Lakhs)

Particulars	Net balance April 1, 2020	For the year ended March 31, 2021			As at March 31, 2021	
		Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Asset / (Liabilities)						
Fixed Assets	(907)	(114)		(1,021)	-	(1,021)
Lease Liability	76	(18)		59	59	-
Bonus and Ex-gratia Payable	13	(12)		1	1	-
Gratuity	108	43	-	151	151	-
Leave Encashment	52	11		63	63	-
ERF-Curr.Revaluation	(145)	72		(73)	-	(73)
ARO Provision	6	0		6	6	-
ARO Assets	(1)	0		(0)	-	(0)
Donation	(42)	42		-	-	-
Cumulative C/F Business Loss	2,037	(1,557)		491	491	-
Provision of doubtful Debts	149	3		151	151	-
O&M Income Receivable	(22)	3		(19)	-	(19)
Remeasurement of Gratuity (OCI)	60	-	16	76	76	-
Cash Flow Hedge (OCI)	105	-	(189)	(85)	-	(85)
Deferred Tax assets / (liabilities)	**1,490**	**(1,528)**	**(173)**	**(200)**	**999**	**(1,199)**

NOTE 32. DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age	
Retirement Age	58 Years		58 Years	
Discount Rate	7.15% P.A.		6.85% P.A.	
Salary escalation	6% P.A.		6% P. A.	

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

₹ (in Lakhs)

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	1,598	377	1,357	328
Interest Cost	105	25	88	21
Current Service Cost	151	51	137	51
Benefit Paid	(106)	(87)	(63)	(83)
Due to Experience adjustments	(44)	13	79	59
Liability at the end of the period	**1,703**	**378**	**1,598**	**377**
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	693	129	687	124
Expected Return on Plan Assets	(13)	(1)	14	(5)
Contributions	10	0	8	0
Interest Income	48	10	47	9
Benefit paid	(106)	0	(63)	0
Fair Value of Plan Assets at the end of the period	**632**	**137**	**693**	**129**

₹ (in Lakhs)

Particulars	2021-22		2020-21	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Actual Gain / loss recognized				
Actuarial (gain) / loss on obligations	(44)	13	79	59
Actuarial (gain) / loss on Plan Assets	13	1	(14)	5
Net Actuarial (gain) / loss recognized during year	**(31)**	**14**	**65**	**64**
Amount recognized in Balance Sheet				
Liability at the end of the period	1,703	378	1,598	377
Fair Value of Plan Asset at the end of the period	632	137	693	129
Net Amount recognized in Balance Sheet	**1,071**	**241**	**905**	**249**
Expense recognized in the Statement of Profit and Loss				
Current Service cost	151	51	137	51
Interest cost	57	15	41	12
Expected return on Plan Asset	0	14	0	64
Net Expense recognized in P&L	**208**	**80**	**178**	**128**
Expense recognized in the Statement of Other Comprehensive Income				
Due to experience adjustment	(44)	-	79	-
Return on plan assets excluding amounts included in interest income	13	-	(14)	-
Net Expense recognized in OCI	**(31)**	**-**	**65**	**-**

Sensitivity Analysis

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

₹ (in Lakhs)

Gratuity	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount rate 1% / -1% (FY2020-21 : 1% / -1%)	1,542	1,893	1,441	1,784
Salary growth rate 1% / -1% (FY2020-21 : 1% / -1%)	1,893	1,540	1,783	1,439
Withdrawal / Attrition Rate 10% / -10% (FY2020-21 : 50% / -50%)	1,707	1,699	1,609	1,583

Leave salary	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount rate 0.5% / -0.5% (FY2020-21 : 0.5% / -0.5%)	357	402	355	402
Salary growth rate 0.5% / -0.5% (FY2020-21 : 0.5% / -0.5%)	402	357	402	355
Withdrawal / Attrition Rate 10% / -10% (FY2020-21 : 10% / -10%)	380	377	378	376

NOTE 33. RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on “Related Party Disclosures”, list of related parties identified of the Company are as follows:

A. Subsidiary / Joint Venture / Associate

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

Note :

1. Pursuant to the Scheme sanctioned by Hon’ble National Company Law Tribunal (NCLT) , Ahmedabad bench vide its order dated December 23, 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f appointed date i.e April 1, 2020 and effective from December 24, 2021 and immediately upon effectiveness of the same. HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, ""HASPL"") with effect from appointed date i.e April 1, 2020.
2. Pursuant to the Scheme, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL becomes the subsidiaries of the Company with effect from April 1, 2020 i.e Appointed date.
3. The Board at its meeting held on February 20, 2021 approved the Scheme of Amalgamation - 2 of Harsha Engineers BV with the Company and their respective shareholders and creditors in accordance with the provision of Companies Act which is currently under process.
4. Related Party Transactions (RPT) by the Company are also included RPT of Transferor Companies as per the Scheme for the reporting periods. It may be noted that as per the Scheme approved by the NCLT, Ahmedabad Bench dated December 23, 2021, RPT made by Transferor Companies during the respective reporting period are also considered as RPT with respect to the merged entity i.e Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, ""HASPL"")
5. HACM Solar LLP, Joint Venture of the Company has been dissolved on October 21, 2021 and name has been struck off from the ROC.

B. Director's & Key Managerial Personnel				C. Relatives of Key Managerial Personnel				
Name of Director's & Key Managerial Personnel				**Name of Relatives of Key Managerial Personnel**				
Rajendra Shah [1]	Chairman & Whole-time Director	Harish Rangwala [2]	Managing Director	Rajendra Shantilal Shah HUF	Yashpal Mehta	Tanvi Rangwala	Rinkal Jasani	Aayansh Mohanty
Vishal Rangwala [3]	CEO & Whole-time Director	Pilak Shah [4]	COO & Whole-time Director	Ukani Brijeshkumar Parshottambhai HUF	Vaishali Shah	Tarana Rangwala	Nitya Jasani	Ravi Mohanty
Hetal Ukani [5]	Whole-time Director	Ambar Patel [6]	Independent Director	Kanubhai Shah	Raag Shah	Suresh Jasani (HUF)	Saurin Jasani	Rashmita Nayak
Kunal Shah [6]	Independent Director	Neharika Vohra [6]	Independent Director	Manish Naik	Viha Ukani	Suresh Jasani	P. C. Mohanty	Sinny Nayak
Ramakrishnan Kasinathan [6]	Independent Director	Bhushan Punani [6]	Independent Director	Nirmala Shah	Preya Ukani	Maulik S. Jasani HUF	Nayana Mohanty	Soham Naik
Maulik Jasani [7]	VP Finance and Group CFO	Kiran Mohanty [8]	Company Secretary & Chief Compliance Officer	Mili Mehta	Charusheela Rangwala	Madhurika Jasani	Lipsa Nayak	Navinchandra Shah

1. Mr. Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from December 25, 2021.
2. Mr. Harish Rangwala is appointed as Managing Director of the Company with effect from December 25, 2021.
3. Mr. Vishal Rangwala is appointed as Director of the company with effect from August 12, 2021 and appointed as CEO and Whole time Director of the Company with effect from December 25, 2021.
4. Mr. Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from December 25, 2021.
5. Ms. Hetal Ukani is appointed as Director of the company with effect from August 12, 2021 and appointed as Whole time Director with effect from December 25, 2021.
6. Mr. Ambar Patel, Mr. Kunal Shah, Prof. (Dr.) Neharika Vohra, Dr. Bhushan Punani and Mr. Ramakrishnan Kasinathan are appointed as Independent Directors of the company with effect from January 10, 2022.
7. Mr. Maulik Jasani is appointed as VP Finance & Group CFO of the Company with effect from December 25, 2021.
8. Mr. Kiran Mohanty is appointed as Company Secretary & Chief Compliance officer of the company with effect from August 12, 2021.

Note :

1. Mr. Dilip Sanghvi is resigned from the position of Independent Director of the company with effect from December 25, 2021.
2. Designation of Mr. Falgun Shah has been changed from Chief Financial Officer to Head of Finance & Accounts - Solar EPC Division with effect from December 25, 2021.
3. Mr. Jitendra Mamtora is resigned from the position of Independent Director of the Company with effect from April 23, 2021.

D. Enterprise on which Director's and KMP's have Significant Influence and Control

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

* Harsha Renewable Energy Private Limited has been dissolved on April 6, 2022.

Application for change of name has been made on January 31, 2022 on account of merger which is currently under process.

E. Transactions During the Year with Related Parties

1. Subsidiaries / Joint Ventures / Associates Transactions

₹ (in Lakhs)

Particulars	Investment In Equity / Partner's Capital / Current A/c / Profit Share from Associates / Joint Ventures		Sales of Goods / Assets / Lease Rent / Reimbursement		Purchase of Goods / Job work / Service / Assets / Reimbursement	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Harsha Precision Bearing Components (China) Co., Ltd.	-	-	563	316	-	33
Harsha Engineers Europe SRL	-	-	64	235	1	111
Harsha Engineers BV	2,559	-	-	-	-	-
HASPL Americas Corporation	-	66	-	-	-	-
Cleanmax Harsha Solar LLP	(32)	17	0	0	-	-
Sunstream Green Energy One Pvt. Ltd.	0	1	-	-	-	-

₹ (in Lakhs)

Particulars	Interest Income		Loan Given	
	2021-22	2020-21	2021-22	2020-21
Harsha Precision Bearing Components (China) Co, Ltd.	61	72	483	-

^ Transaction with Subsidiaries are eliminated in the consolidated financials

2. Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Remuneration		Loan Accepted		Loan Repaid	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rajendra Shah	69	66	486	244	327	14
Harish Rangwala	69	66	1,151	150	1,545	300
Vishal Rangwala	180	172	-	-	-	-
Pilak Shah	150	140	245	-	225	-
Munjal Rangwala	7	60	-	-	-	63
Hetal Ukani	62	63	150	-	189	90
Maulik Jasani	55	46	-	-	-	-
Falgun Shah	37	39	-	-	-	-
Aastha Upadhyay	-	3	-	-	-	-
Kiran Mohanty	16	15	-	-	-	-

₹ (in Lakhs)

Particulars	Interest Expense		Sitting Fees		Sales of Goods	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rajendra Shah	36	17	-	-	-	-
Harish Rangwala	137	80	-	-	20	-
Pilak Shah	23	-	-	-	-	-
Munjal Rangwala	-	8	-	-	-	-
Hetal Ukani	18	6	-	-	-	-
Jitendra Mamtora	-	-	-	1	-	-
Ambar Patel	-	-	1	1	-	-
Kunal Shah	-	-	1	1	-	-
Prof. Dr. Neharika Vohra	-	-	1	1	-	-
BhushanLal Punani	-	-	0	-	-	-
Ramakrishnan Kasinathan	-	-	0	-	-	-

₹ (in Lakhs)

Particulars	Loan Given		Loans Received Back		Interest Income	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Kiran Mohanty	1	1	0	0	0	0

3. Relatives of Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Deposits Accepted		Deposits Repaid		Interest Expense	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Charusheela Rangwala	1,146	-	468	-	52	-
Nirmala Shah	620	250	478	-	51	-
Mili Mehta	-	-	154	3	12	0
Krina Shah	-	-	-	264	-	1
Vaishali Shah	100	-	117	-	11	1
Rajendra Shah (HUF)	-	17	99	-	7	8

₹ (in Lakhs)

Particulars	Purchase of Service	
	2021-22	2020-21
Maulik Jasani (HUF)	3	3

4. Enterprise on which Director's and KMP's have significant influence and control Transactions

₹ (in Lakhs)

Particulars	Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR		Sales of Goods / Assets / Lease Rent / Reimbursement		Loan Given	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Crest Creative Unit	3	3	-	-	-	-
Aastha Charitable Trust for Welfare Mentally Challenged	2	334	3	-	-	-
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity Scheme	2	1	-	-	-	-
Harsha Engineers Ltd - Group Gratuity Scheme	7	7	-	-	-	-
Aastha Tools Pvt Ltd-Group Gratuity Scheme	-	0	-	-	-	-
Harsha Renewable Energy Private Limited	-	-	-	-	0	0
Daylight Solar Private Limited	-	-	-	-	0	0
First Light Asset Management Private Limited	-	-	-	-	0	0

₹ (in Lakhs)

Particulars	Loan Repaid	
	2021-22	2020-21
Harsha Renewable Energy Private Limited	0	-
Daylight Solar Private Limited	0	0
First Light Asset Management Private Limited	0	-

F. Outstanding Balance

1. Subsidiaries / Associates / Joint Ventures Outstanding ^

₹ (in Lakhs)

Particulars	Investment In Equity / Partner's Capital / Current A/c / Profit Share from Associate / Joint Venture		Loan & Advance		Interest Receivables on loan	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Harsha Precision Bearings Components (China) Co., Ltd.	6,760	6,760	1,834	1,294	74	202
Harsha Engineers BV	13,612	11,053	-	-	-	466
HASPL Americas Corporation	67	67	-	-	-	-
Cleanmax Harsha Solar LLP	646	677	-	-	-	-
Sunstream Green Energy One Pvt. Ltd.	1	1	-	-	-	-

₹ (in Lakhs)

Particulars	Other Receivables		Other Payables	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Harsha Precision Bearings Components (China) Co., Ltd.	505	186	-	-
Harsha Engineers Europe SRL	14	262	-	275
Cleanmax Harsha Solar LLP	-	118	-	-

^ Transaction with Subsidiaries are eliminated in the consolidated financials

2. Key Managerial Personnel Transactions

₹ (in Lakhs)

Particulars	Loan		Interest Payable on Loan	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Rajendra Shah	486	328	-	-
Harish Rangwala	1,021	1,415	-	4
Pilak Shah	245	225	-	-
Munjal Rangwala		104	-	0
Hetal Ukani	150	189	-	-

₹ (in Lakhs)

Particulars	Remuneration Payable		Loan Receivable	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Rajendra Shah	32	34	-	-
Harish Rangwala	32	34	-	-
Vishal Rangwala	124	124	-	-
Pilak Shah	94	93	-	-
Munjal Rangwala	-	18	-	-
Hetal Ukani	32	34	-	-
Maulik S. Jasani	2	2	-	-
Falgun Shah	-	3	-	-
Aastha Upadhyay	-	0	-	-
Kiran Mohanty	1	1	1	1

3. Relatives of Key Managerial Personnel

₹ (in Lakhs)

Particulars	Deposit		Other Payable	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Charusheela Rangwala	1,018	236	-	-
Nirmala R. Shah	620	478		
Mili Mehta	-	154	-	-
Vaishali Shah	100	117	-	-
Rajendra Shah (HUF)	-	99	-	-
Maulik Jasani (HUF)	-	-	0	0

4. Enterprise on which Director's and KMP's have significant influence and control

₹ (in Lakhs)

Particulars	Loan & Advance	
	As at March 31, 2022	As at March 31, 2021
Harsha Renewable Energy Private Limited	-	0
First Light Asset Management Private Limited	-	0

34. OTHER NOTES

34. 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.

₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Contingent Liabilities Not Provided For		
(i) Letter of Credit / Corporate Guarantee / Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	3,575	5,485
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	143	50
(iii) Claims against the company not acknowledged as debts:		
- Income Tax Matters	2,379	1,843
- Excise, Service Tax and GST Matters	106	106
- Sales Tax & Vat Matters	-	6
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others#	1,690	1,589
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,161	673

It includes Rs. 1500 lakhs of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt. Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of Rs. 686 lakhs and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of Rs. 686 lakhs plus interest as per the said order dated May 4, 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company, Hearing on revival application is in process.

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

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

34.2. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker [CODM] of the Group.

Ind AS 108 “Operating Segment” establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas. Accordingly, information has been presented both along business segments and geographic segments

A : BUSINESS SEGMENTS INFORMATION

The Chief Operating Decision Maker [CODM] reviews the Group as (i) "Engineering & Others" and (ii) "Solar-EPC and O&M" segment.

The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

The "Engineering & Others" segment includes all activities related with Bearing Cages & Stamp components including but not limited to sales, services, design, tooling, development, procurement and manufacturing.

The "Solar-EPC and O&M" segment includes all activities related with Solar Power Projects including but not limited to engineering, design, development, procurement, construction, erection, installation, commissioning, operation & maintenance.

The above business segments have been identified considering, (1) the different risk and returns and (2) the Customers.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional information for segment reporting.

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
1. Segment Revenues		
a. Engineering & Others	123,853	81,957
b. Solar-EPC and O&M	8,295	5,419
Total Revenue from Operations	**132,148**	**87,376**
2. Segment Operating Results (EBITDA) #		
a. Engineering & Others	18,905	14,045
b. Solar-EPC and O&M	(251)	(1,550)
Total Operating Results (EBITDA)	**18,659**	**12,495**
3. Segment Results (PBT)		
a. Engineering & Others	13,135	8,649
b. Solar-EPC and O&M	(476)	(2,578)
Total Profit Before Tax (PBT)	**12,663**	**6,071**
4. Segment Assets		
a. Engineering & Others	1,04,782	88,282
b. Solar-EPC and O&M	11,040	9,826
Total Assets	**115,826**	**98,108**
5. Segment Liabilities		
a. Engineering & Others	52,240	44,050
b. Solar-EPC and O&M	11,406	11,341
Total Liabilities	**63,640**	**55,391**

Operating Results (EBITDA) : Total Profit Before Finance Cost, Depreciation & Amortisation, Tax & Profit / (loss) on Sale of Fixed Assets

Secondary Segment Information

B : Geographical Segment:

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
1. Revenues: *		
a. India	48,450	28,886
b. Outside India	83,698	58,490
2. Non-current assets: **		
a. India	20,586	18,400
b. Outside India	15,194	16,175

[*] The revenue information above is based on the locations of the customers.
[**] Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

Information about major customers:

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

(a) For the year ended March 31, 2022, revenue from operations of 1 customer of the Group represented approximately 14.23 % of the Group's revenue from operations.

(b) For the year ended March 31, 2021, revenue from operations of 1 customer of the Group represented approximately 14.16 % of the Group's revenue from operations.

34.3. MERGER

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

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

(1) The assets and liabilities pertaining to the Amalgamating Companies vested in the Company have been accounted as provided in the Scheme, at their respective carrying values as appearing in their respective books on the opening hours of business on April 01, 2020 being the Appointed Date.

(2) The inter-corporate deposits / loans and advances outstanding between the Amalgamating Companies and the Company inter-se have been cancelled.

(3) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

(4) The balance of the retained earnings appearing in the financial statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamating Companies or is adjusted against General Reserve.

(5) The identity of the reserves are preserved and the reserves of the Amalgamating Companies become the reserves of the Company.

(6) The surplus / deficit of the share capital of the Amalgamating Companies over the value of investments in the shares of these companies appearing in the books of the Company and cancelled pursuant to the Scheme has been adjusted in the “Capital Reserve Account” of the Company. Further, as a result of merger the net difference amounting to INR 604 lakhs was debited to the Capital Reserve.

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

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

₹ (in Lakhs)

Particulars	**As at April 1, 2020**
Total Assets (A)	74,199
Total Liabilities (B)	(32,498)
Net assets taken over (C=A+B)	**41,701**
Reserves of Amalgamating Companies vested in the Company (D)	(39269)
Net Equity taken over (E=C+D)	**2,431**
Cancellation of Investments in equity of ATPL, HEIPL, HSSPL, held by the HEL or Company as the case may be (F)	(311)
Share Capital Pending Reduction and Consolidation (Reduction in Face Value from Rs. 10 each to Re. 1 each of the Company followed by Consolidation of Re. 1 to Rs. 10) (G)	4,500
Share Capital Pending Allotment (Being consideration for amalgamation, 3 Equity Shares of the Company against 1 Equity Share of HEL to Share Holders of HEL, which is allotted on record date as per the Scheme) (H)	(7225)
Difference on Amalgamation (Debited to the Capital Reserves) (I=E+F+G+H)	**(604)**

Scheme of Amalgamation - 2

The Company has also filed a Scheme of Amalgamation between Harsha Engineers BV and Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL", the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 along with other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals ("the Scheme of Amalgamation - 2").
The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers BV with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation - 2 being effective, the assets and liabilities pertaining to the Harsha Engineers BV will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.
Currently the Scheme of Amalgamation-2 is under process at NCLT for their approval.

34.4. EVENTS OCCURRING AFTER THE REPORTING DATE

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

Pursuant to the merger, the Company had made an application for adjudication of stamp duty order as required under Gujarat Stamp Act. Subsequently the Company has received demand notice from the office of the Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022 for the payment of stamp duty of Rs. 91,91,100 and same was paid by the Company. The Company has received the stamp adjudication order on April 28, 2022 stating the payment has been made as per section 32 of Gujarat Stamp Act.

Harsha Precision Bearing Components (China) Co., Ltd. has received a penalty notice for RMB 2.44 lakhs on May 10, 2022 from Changshu Bureau, China. for EHS related violation at Changshu Plant, Currenly, the matter is under process.

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

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

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

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

34.7. 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 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 March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

4) As on the reporting date, the company has borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly statements are submitted , which is in line with the books of accounts of the company.

5) The Company has not been declared as willful defaulter (By virtue of Section 477 & 488 of The Companies Act, 2013) by any bank or financial institution or government or any government authority.

6) The Company has transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. and having outstanding balance at the year end as per below details.

₹ (in Lakhs)

Name of the struck off company	Nature of transactions with struck off company	Relationship with the struck off company, if any.	Balance outstanding	
			As At March 31, 2022	As At March 31, 2021
Metro Packaging Private Limited	Payables	Not Applicable	0	-
Harsha Renewable Energy Private Limited	Receivable	Having Common Director & Shareholders	-	0

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

8) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

9) **(A)** The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

NOTE 35 FINANCIAL RATIO

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(1) Current Ratio (Times)	**1.64**	**1.43**
% Change from previous year	15%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Current Ratio = Current Assets divided by Current Liabilities		
Current Assets	78,002	61,707
Current Liabilities	47,584	43,122
(2) Debt-Equity Ratio (Times)	**0.74**	**0.83**
% Change from previous year	-12%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Debt-Equity Ratio = Total debt (current and non-current borrowings & lease liabilities) divided by Total equity		
Total debt (current and non-current borrowings & lease liabilities)	38,486	35,667
Total equity	52,186	42,717
(3) Debt Service Coverage Ratio (Times)	**2.26**	**1.34**
% Change from previous year	68%	
Reason for change more than 25% : March 31, 2022 : Higher due to higher profitability and repayment of debt and lower interest		
Debt Service Coverage Ratio = Profit after tax plus Depreciation and Amortisation expenses and Finance Costs divided by Debt Service (interest and 12 months principal repayment = Current Debt Obligation]		
Profit after tax Plus Depreciation and Finance cost #	15,187	10,953
Debt Service = Current Debt Obligation (Interest and 12 months principal repayment)	6,718	8,147
(4) Return on Equity Ratio (%)	**17%**	**10%**
% Change from previous year	66%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue		
Return on Equity Ratio = Net profit attributable to Equity Share holders (PAT-Profit After Tax) divided by Shareholder's Equity		
Net profit attributable to Equity Share holders (PAT-Profit After Tax)	9,195	4,543
Total equity	52,790	43,321
(5) Inventory Turnover Ratio (Times)	**1.97**	**1.55**
% Change from previous year	27%	
Reason for change more than 25% : March 31, 2022 : High due to lower Inventory increase compare to higher material Cost.		
Inventory Turnover Ratio = Cost of materials consumed + Changes in inventories of finished goods, work-in-progress divided by Closing Inventories		
Cost of materials consumed + Changes in inventories of finished goods, work-in-progress	73,969	41,473
Closing Inventories	37,572	26,754

₹ (in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(6) Trade Receivables Turnover Ratio (Times)	**4.63**	**4.03**
% Change from previous year	15%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Trade Receivables Turnover Ratio = Net Sales divided by Closing Accounts Receivable		
Net Sales	1,30,845	86,181
Closing Accounts Receivable	28,275	21,388
(7) Trade Payables Turnover Ratio (Times)	**5.76**	**5.31**
% Change from previous year	8%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Trade payables Turnover Ratio = Cost of materials consumed + Other Expenses - [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] divided by Closing Accounts Payables		
Cost of materials consumed + Other Expenses less - [+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]	1,05,269	61,982
Closing Accounts Payables	18,279	11,668
(8) Net Capital Turnover Ratio (Times)	**2.53**	**2.05**
% Change from previous year	24%	
Reason for change more than 25% : March 31, 2022 : Not Applicable		
Net capital Turnover Ratio = Revenue from operations divided by Shareholder's Equity		
Revenue from operations	1,32,148	87,376
Total equity	52,186	42,717
(9) Net Profit Ratio (%)	**7%**	**5%**
% Change from previous year	34%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue and lower expenses		
Net Profit Ratio (%) = Net profit (PAT-Profit After Tax) divided by Revenue from Operations		
Net profit (PAT-Profit After Tax)	9,195	4,543
Revenue from Operations	132,148	87,376
(10) Return on Capital Employed (%)	**23%**	**17%**
% Change from previous year	34%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue		
Return on Capital employed (%) = Profit before interest and tax divided by Capital Employed (Total Equity + Total Long Term Borrowings + Total Lease Liability)		
Profit before interest and tax	15,119	9,070
Capital Employed (Total Equity + Long Term Borrowings + Lease Liability)	66,522	53,626
(11) Return on Investment (%)	**13%**	**9%**
% Change from previous year	41%	
Reason for change more than 25% : March 31, 2022 : Higher due to increase in profitability mainly due to increase in Revenue		
Return on investment (%) = Profit before tax Plus Finance Cost divided by Total assets		
Profit before tax Plus Finance Cost	15,119	9,070
Total assets	1,15,826	98,108

NOTE 36. A. FINANCIAL INSTRUMENTS BY CATEGORY AND THEIR FAIR VALUE

₹ (in Lakhs)

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 -Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-		647	647	-	-	-	-
Loans								-
Non-Current			6	6				
Current	-	-	1,234	1,234	-	-	-	-
Trade Receivables	-	-	28,275	28,275	-	-	-	-
Cash and Cash Equivalents	-	-	2,141	2,141	-	-	-	-
Other Bank Balances	-	-	1,789	1,789	-	-	-	-
Other financial assets								-
Non-Current			64	64				
Current	-	-	1,075	1,075	-	-		-
Total Financial assets	**-**	**-**	**35,231**	**35,231**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
Non-current			13,784	13,784	-	-	-	-
Current			24,064	24,064	-	-	-	-
Lease liabilities								
Non-current			552	552	-	-	-	-
Current			86	86	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(497)	2,848	2,351	(497)	-	-	(497)
Trade Payables			18,279	18,279		-	-	-
Total Financial liabilities	**-**	**(497)**	**59,613**	**59,116**	**(497)**	**-**	**-**	**(497)**

₹ (in Lakhs)

As at March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 -Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	250	-	250	250	-	-	250
Unquoted	-		679	679	-	-	-	-
Loans								-
Non-Current			9	9				
Current	-	-	483	483	-	-	-	-
Trade Receivables	-	-	21,388	21,388	-	-	-	-
Cash and Cash Equivalents	-	-	3,305	3,305	-	-	-	-
Other Bank Balances	-	-	1,225	1,225	-	-	-	-
Other financial assets								-
Non-Current			40	40				-
Current	-	-	695	695	-	-		-
Total Financial assets	**-**	**250**	**27,824**	**28,074**	**250**	**-**	**-**	**250**
Financial liabilities								
Borrowings								
Non-current			10,151	10,151	-	-	-	-
Current			24,698	24,698	-	-	-	-
Lease liabilities								
Non-current			758	758	-	-	-	-
Current			60	60	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(336)	2,962	2,626	(336)	-	-	(336)
Trade Payables			11,668	11,668		-	-	-
Total Financial liabilities	**-**	**(336)**	**50,297**	**49,961**	**(336)**	**-**	**-**	**(336)**

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Investments in subsidiaries and Investments in Joint venture / Associates are carried at amortised cost.

Types of inputs are as under:

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

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

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

B. MEASUREMENT OF FAIR VALUES

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Cross Currency Interest Rate Swaps	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting years

Level 3 fair values

Movements in the values of unquoted equity instruments for the year ended March 31, 2020 and March 31, 2021 is as below:

₹ (in Lakhs)

Particulars	Amount
As at April 1, 2020	-
Acquisitions / (disposals)	250
Gains / (losses) recognised in other comprehensive income	0
As at March 31, 2021	**250**
Acquisitions / (disposals)	**(250)**
Gains / (losses) recognised in other comprehensive income	**(0)**
As at March 31, 2022	-

Transfer out of Level 3

There were no transfers out of level 3 during the year 2020-21 and 2019-20.

C. FINANCIAL RISK MANAGEMENT

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

i. Credit risk

ii. Liquidity risk

iii. Market risk

(i) Credit risk

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

Trade receivables

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

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

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

Age of Receivables: **₹ (in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	19,641	14,061
0-3 Months	4,224	2,292
3-6 Months	202	355
6-12 Months	132	352
1-3 Years	96	444
>3 Years	3,980	3,884
Total	**28,275**	**21,388**

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

Other financial assets

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures as well as derivative instruments.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.
- Investments are made in credit worthy companies.
- Derivative instrument comprises cross currency interest rate swaps, forward contracts, options etc. where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

(ii) Liquidity risk

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

Exposure to liquidity risk

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

₹ (in Lakhs)

As at March 31, 2022	Contractual cash flows based on maturity			
	Carrying amount	**Total**	**Less than 12 months**	**More than 12 months**
Non-derivative financial liabilities				
Non current borrowings	13,784	13,784	-	13,784
Current borrowings	24,064	24,064	24,064	-
Non current lease liabilities	552	552	-	552
Current lease liabilities	86	86	86	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	1,379	1,379	1,379	-
Trade and other payables	18,279	18,279	18,279	-
Total	**58,144**	**58,144**	**43,808**	**14,336**

₹ (in Lakhs)

As at March 31, 2021	Contractual cash flows based on maturity			
	Carrying amount	**Total**	**Less than 12 months**	**More than 12 months**
Non-derivative financial liabilities				
Non current borrowings	10,151	10,151	-	10,151
Current borrowings	24,698	24,698	24,698	-
Non current lease liabilities	758	758	-	758
Current lease liabilities	60	60	60	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	1,303	1,303	1,303	-
Trade and other payables	11,668	11,668	11,668	-
Total	**48,638**	**48,638**	**37,729**	**10,909**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

Currency risk

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising out of the EURO, US Dollar, CNY & JPY. Accordingly, the foreign currency exposure and interest rate exposure has been hedged time to time as per the company's Risk management policy after evaluating the risk associated with.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

Interest rate risk

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

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

Sensitivity

The table below summarises the impact of increase / decrease of Debt funds and debt securities on the Companies' s Other Comprehensive Income for the period.

₹ (in Lakhs)

Particulars	Impact on Other Comprehensive Income	
	As at March 31, 2022	**As at March 31, 2021**
Debt funds and debt securities – increase by 0.50% in fair market value	0	1
Debt funds and debt securities – decrease by 0.50% in fair market value	0	-1

D. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.

- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

The Company's debt to equity ratio is as follows: ₹ (in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt #	38,486	35,667
Total equity	52,186	42,717
Debt to total equity ratio	**0.74:1 times**	**0.83:1 times**

#Debt includes borrowings and current maturities of long term debt in other financial liabilities.

Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

The accompanying notes (1 to 36) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN : 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142

Date : May 20, 2022
Place : Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN : 00061922

Harish Rangwala
Managing Director
DIN : 00278062

Maulik Jasani
VP Finance & Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date : May 20, 2022
Place : Ahmedabad

NOTES

Harsha Engineers International Limited

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

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