HEIL/SE-34/2025-26

August 20, 2025

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Script Code No. : **543600**

To,
The Manager (Listing),
National Stock Exchange of India Limited
"Exchange Plaza", C-l, Block - G,
Bandra - Kurla Complex, Bandra (E)
Mumbai – 400 051
Symbol : **HARSHA**

Dear Sir/Madam,

Sub : Notice of the 15th Annual General Meeting along with Integrated Annual Report of the Company for the Financial Year 2024-25.
Ref : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

This is further to our letter dated May 8, 2025, wherein the Company had informed that the 15th Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, September 12, 2025 through Video Conferencing/Other Audio Visual Means in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.

In this regard and pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2024-25 which is being sent through electronic mode to the Members whose email IDs are registered with the Company / RTA / DP's. For those members whose e-mail address is not registered with the Company / RTA / DP's, a letter is being sent providing the weblink of company's website, including the exact path, from where the Annual Report for the Financial Year 2024-25 can be accessed.

The Annual Report containing the Notice is also uploaded on the Company's website and can be accessed at https://www.harshaengineers.com/InvestorRelations/financial-information.php# .

You are requested to take the same on your record.

Thanking You,

Yours faithfully,

FOR HARSHA ENGINEERS INTERNATIONAL LIMITED

Kiran Kumar Mohanty

Digitally signed by Kiran Kumar Mohanty Date: 2025.08.20 17:32:15 +05'30'

Kiran Mohanty
Company Secretary and Chief Compliance Officer
MEM NO. : F9907

Encl.: As Above

INTEGRATED REPORT **2024-25**

HARSHA ENGINEERS

PRECISION THAT POWERS PROGRESS

ACROSS

THE PAGES

1 CORPORATE OVERVIEW

2 STATUTORY REPORTS

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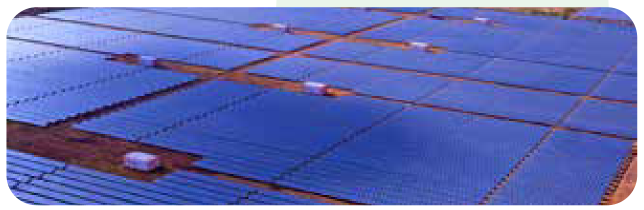
3 FINANCIAL STATEMENTS

43%
Renewable Energy



On page no. 23

INVESTOR INFORMATION

Market Capitalisation	₹340,277 lakhs As of March 28, 2025
CIN	L29307GJ2010PLC063233
BSE Code	543600
NSE Symbol	HARSHA
Bloomberg Code	HARSHA:IN
Dividend Declared	₹1 per Share
AGM Date	September 12, 2025
AGM Mode	Through Video Conferencing /Other Audio-Visual Means

For more investor-related information, please visit:
https://www.harshaengineers.com/InvestorRelations/

Or simply scan to view the online version of the Report.

Disclaimer

This document contains statements about expected future events and financials of Harsha Engineers International Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

ABOUT THE REPORT

REPORTING APPROACH

This report serves as a principal document aimed at providing a comprehensive understanding of the Company's strategies, business models, and their significant impact across economic, social, and environmental dimensions. Aligned with the Company's overarching business strategy, it outlines the material issues that affect its ability to generate sustainable value. As an essential component of the Company's strategic and operational framework, the Report also underscores key aspects of social and environmental sustainability.

SCOPE AND BOUNDARY

This report adopts a holistic approach and presents information for the financial year ended March 31, 2025. It comprehensively covers all business segments undertaken by the Company, highlighting their contributions to value creation over the short, medium, and long term.

FRAMEWORKS

In preparing this Report, the Company has adhered to the principles of Integrated Reporting (IR) as outlined by the International Integrated Reporting Council (IIRC), ensuring alignment with the expectations of a diverse range of stakeholders. The Report is fully compliant with the guidelines issued by the NSE, BSE, and SEBI. Furthermore, the statutory disclosures, including the Board's Report, Management Discussion and Analysis (MD&A), Corporate Governance Report, and the Business Responsibility & Sustainability Report, are prepared in accordance with the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable Secretarial Standards.

LEADERSHIP ACCOUNTABILITY

The Company's senior management, under the guidance of the Whole-Time Directors, has thoroughly reviewed the contents of this report. Additionally, the Board of Directors has exercised appropriate governance oversight to ensure the accuracy, relevance, and integrity of the disclosures presented.

PRECISION THAT POWERS PROGRESS.

Progress is rarely accidental. It is almost always the result of deliberate effort, consistent standards, and the discipline to get things right repeatedly. Whether in engineering, design, technology, or manufacturing, the ability to deliver with accuracy and intent is what creates lasting value. Precision, in that sense, is not just a technical requirement but a mindset that drives meaningful outcomes.

At Harsha Engineers International Limited, precision is the foundation of everything we do. As India's largest manufacturer of precision bearing cages, we enable industries where accuracy is critical and reliability cannot be compromised. From automotive and aerospace to railways and heavy engineering, our components ensure that complex systems operate with consistency.

This year's theme, 'Precision that Powers Progress,' reflects our belief that true progress starts with attention to detail. Every cage we manufacture is shaped through advanced processes, technical expertise, and unwavering quality control. Even the smallest variation can impact performance, which is why we focus on getting every detail right.

Precision enhances durability, improves efficiency, and builds trust. It allows our customers to achieve better outcomes and move forward with assurance. This commitment to precision is what gives our products their edge and strengthens our reputation.

We don't just manufacture parts: we enable movement, growth, and progress across industries worldwide.

Company Overview

LARGEST MANUFACTURER OF PRECISION BEARING CAGES IN INDIA.

At Harsha Engineers International Limited ('Harsha Engineers,' 'HEIL,' 'The Company,' 'We'), we take pride in being a leading manufacturer and exporter of precision bearing cages and high precision engineered components, serving clients across the globe. Over the past more than four decades, we have built a legacy defined by consistent excellence, shaped by innovation, deep expertise, and long-standing partnerships with some of the most respected names in the industry.

Specialising in bearing cages, precision-stamped components, and bushings, we support diverse industrial applications worldwide. Our presence extends beyond engineering, with a growing footprint in the solar EPC segment, where we focus on executing small to mid-sized projects with minimal capital intensity. With manufacturing facilities strategically located in India, China and Romania, we ensure agile global supply chains and strong operational flexibility. These locations help us stay close to our customers, respond quickly to their needs, and maintain high standards of quality and consistency across markets.

Our commitment to innovation drives us to develop cutting-edge solutions that meet evolving industry needs. At the same time, we are making a conscious shift towards sustainability, integrating environmentally responsible practices across our operations to safeguard our future and that of the communities we serve. With a strong global presence and a reputation for customer-centricity, we continue to seek new avenues to reinforce our strengths. We are focussed on expanding our reach, increasing volumes, enhancing quality, adopting advanced technology, and embedding sustainability deeper into our growth story.

Vision

Harsha Engineers Aspires to be a Global Leader and Continues to be the Preferred Supplier of Bearing Cages and Precision Components.

WHERE WE STAND TODAY?

Largest manufacturer of precision bearing cages in India

50-60% Domestic market share

6 Strategically located manufacturing facilities, including leased facilities, with various warehouses at different locations worldwide

Supplying products to over **25 countries across 5 continents**

Supplies products to each of the **top 6 global bearing manufacturers**

Manufacturing bearing cages with **diameters between 20 mm to 2,000 mm**

7,500+ products manufactured since inception

Diversifying into **complex and specialised** precision bushings and stamped components

Our Expertise

Tooling Design

We have the capability to design and develop advanced tooling in-house, allowing us to manufacture high-precision components with accuracy and efficiency. Our team works closely with customers from the early stages of product design, ensuring that tooling solutions are aligned with specific application requirements.

Tooling Manufacturing

Our facilities are equipped with comprehensive tooling, testing, and measurement systems that support precision and consistency. With dedicated tool production units located in Changodar, we are well-positioned to meet customer demands effectively and maintain a high standard of operational readiness.

Process Design and Automation

With decades of experience, we apply technology-driven manufacturing practices to deliver solutions in a cost-effective and efficient manner. In-house automation helps us optimise operational expenses, reduce production cycle times, and minimise capital expenditure.

Our vision camera system, developed internally, detects minute defects that are not visible to the naked eye, ensuring consistent quality.

Product Development

Our product development cell and innovation centre focus on creating new solutions and improving existing ones. This dedicated function enables us to respond to market needs with agility, while continuously enhancing product performance and reliability.

Then vs. Now: The Transformation of Harsha Engineers

FROM FOUNDATION TO FUTURE.

Every legacy begins with a single step. For Harsha Engineers, that step was precision, the foundation of everything we have created since then. Over the decades, we have scaled with purpose and clarity, evolving from a bearing cage manufacturer into a global leader in precision engineering. From manual beginnings to advanced automation, from local presence to international scale, our journey has been defined by continuous learning, adaptability, and reinvention.

THEN	CATEGORY	NOW
• Established in 1986 as a precision bearing cage manufacturer with limited global reach: • Primarily focussed on the Indian market	Market Position	• India's largest manufacturer of precision bearing cages with ~50% domestic share • Supplier to all top six global bearing manufacturers
• Focussed mainly on bearing cages with limited material diversity and size range	Product Portfolio and Capabilities	• Wide range from 20 mm to 2,000 mm cage diameters • Usage of diverse materials: brass, steel, polyamide • Expanded into precision-stamped components, bushings, complex assemblies
• Operations centred in India	Geographical Presence	• Global manufacturing footprint across 5 continents
• Smaller revenue base with limited global exposure • Higher debt reliance	Financial Performance	• Revenue from operations in 2024-25: ₹140,765 lakhs • EBITDA in 2024-25: ₹18,499 lakhs • Adjusted EBITDA in 2024-25: ₹23,327 lakhs • Debt/Equity in 2024-25: 0.16
• Not a core area historically	Sustainability Initiatives	• 43% is renewable energy in 2024-25 (SLDC wise) • GHG Emission Intensity (Scope 1 and 2) reduced from 2.14 TCO_2 per Ton of Production in 2022-23 to 1.335 TCO_2 per Ton of Production in 2024-25 • Scope 3 GHG Emission reduced from 9,377 TCO_2 eq (Total) in 2023-24 to 4,748 TCO_2 eq (Total) in 2024-25 • Recycled waste increased from 11.88 MT (2023-24) to 115.83 MT (2024-25) • 36% suppliers covered related to training sessions on sustainability in 2024-25 (CO_2 calculation) • Multiple certifications including ISO 14001, ISO 45001

Milestones

PRECISION IN EVERY PHASE.

Since our inception in 1986, our journey has been shaped by uncompromising commitment, specialised expertise, and a clear focus on long-term growth. Each milestone has marked strategic progress, from expanding our global footprint to adopting cutting-edge technologies and aligning with evolving industry standards. Along the way, we have strengthened our core capabilities, diversified our product portfolio, and reinforced our position as a trusted name in precision engineering.

1986

Incorporated Harsha Engineers

2003

Established a 100% export-oriented unit in Moraiya, Ahmedabad, expanding global reach

2004

Achieved ISO/TS 16949:2002 certification, ensuring compliance with international quality standards

2008

Earned ISO 14001 certification, reinforcing the Company's commitment to environmental management

2009

Acquired equity shares in Aastha Tools Private Limited, leading to a partial acquisition

2010

- Launched Harsha Abakus Solar Private Limited, providing turnkey solutions for solar photovoltaics
- Opened new manufacturing facility in Changshu, China

2012

Commissioned machinery for large-size bearing cages with a capacity of 1,000 tonnes at the Changodar, Ahmedabad facility

2014

Acquired BECOTEK Precision Bearing Components (Suzhou) Co. Limited, based in Suzhou, Jiangsu, China

2016

- Received TPM Excellence Category A 2015 award from Japan Institute of Plant Maintenance
- Expanded global presence by acquiring Johnson Metal SRL, located in Brasov, Romania

2018

Secured IATF 16949:2016 certification, further enhancing quality assurance

2019

- Honoured by the Japan Institute of Plant Maintenance with the Award for TPM Excellence in Consistent TPM Commitment 2018
- Commissioned new plant at Changshu, China

2021

Integrated engineering and solar EPC businesses under a single entity, following approval of the Scheme by the National Company Law Tribunal, Ahmedabad Bench; renamed as Harsha Engineers International Limited (HEIL)

2022

Successfully launched an initial public offering (IPO), leading to the listing of equity shares on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) on September 26, 2022

2023

- Incorporated M/s Harsha Engineers Advantek Limited as Wholly Owned Subsidiary of the Company (Greenfield Project) and agreement to acquire a non-agricultural land spanning approximately 100,161 sq. metres near Bavla, Ahmedabad, Gujarat, India for industrial use
- Attained ISO 45001 certification, demonstrating a commitment to occupational health and safety
- Acquired the TISAX label, issued through the ENX portal, following an assessment by Bureau Veritas (India) Private Limited

2024

Concluded a significant long-term sourcing contract for cages with a large global customer

2025

- Commencement of Commercial Production of M/s Harsha Engineers Advantek Limited, Wholly Owned Subsidiary of the Company at its New Bhalya Facility*
- Made a strategic investment in a 10 MW ground-mounted solar project in Banaskantha District, Gujarat, supporting our commitment to sustainable energy.

M/s Harsha Engineers Advantek Limited The Wholly Owned Subsidiary has commenced commercial production and invoicing from June 26, 2025.

The Year Under Review

A YEAR OF PRECISION AND PROGRESS.

Progression in greenfield expansion as planned

Major global sourcing contract secured

Bushings segment recorded revenue of over ₹ 100 crores, with an expectation to grow 30% in 2025-26

Growing demand for Precision Stampings in green and battery-operated vehicles

Strong YTD performance in China, despite slowdown from year-end destocking

Increased customer interest in India due to China+1 strategy

Solar division remained stable with a healthy order book and policy support

Product Portfolio

ENGINEERED TO PERFORM.

Every product we create is a result of precision, expertise, and deep industry understanding. Our portfolio is designed not just to meet expectations, but to exceed them consistently, even in the most demanding environments. From high-precision bearing cages to complex stamped components and bushings, each solution is built with performance, durability, and reliability at its core. We don't just manufacture parts: we engineer confidence, consistency, and long-term value for our customers worldwide.

Steel Cages

With a strong foundation in metal stamping, HEIL delivers precision bearing cages manufactured from a broad selection of steel grades. These components are engineered for strength and durability, while their lightweight design helps reduce friction and wear, supporting optimal performance and longer service life in demanding conditions.

Brass Cages and Bushings

Driven by the need for versatile, high-performance solutions, we have broadened our product portfolio. Building on the proven strength and heat resistance of our brass cages, we have introduced bushings to serve a wider range of industrial applications. This addition not only diversifies our offerings but also enhances our ability to address specific operational needs across sectors. This strategic expansion reflects our ongoing commitment to innovation and our agility in responding to evolving industry demands.

Polyamide Cages

Advancing material technology in bearing cage design, HEIL offers glass fibre-reinforced, injection-moulded polyamide cages that deliver outstanding performance. These cages are lightweight, highly resistant to corrosion, and well-suited for challenging operating conditions. With excellent damping properties, they help minimise noise and vibration, setting a new benchmark for durability and operational reliability.

Stamped Components

With a strong foundation in metal stamping, HEIL has achieved significant growth in both the automotive and industrial sectors. These markets remain central to our evolution, driven by our ability to deliver end-to-end solutions for complex part geometries and demanding performance requirements.

Our operations extend beyond conventional stamping practices. Using precision engineering and agile manufacturing, we produce high-quality components that meet the highest levels of dimensional accuracy and material strength. To support system-level integration, we also provide semi-assembled modular units. These ready-to-fit assemblies streamline production for our customers, improve operational efficiency, and enhance overall system performance.

Product Applications

Automotive Components

Our expertise in tool and process design supports a high level of automation in manufacturing, significantly enhancing our ability to deliver high-volume, precision components. We offer advanced stamping, polyamide parts, and assembly aids tailored to meet the performance needs of both electric vehicles (EVs) and internal combustion (IC) engine systems. Our solutions are designed to support evolving automotive requirements with consistency, accuracy, and scalability.

Industrial

We support the industrial sector with a diverse product portfolio that includes steel, brass, and polyamide bearing cages, along with precision-stamped components. Our manufacturing infrastructure is built for flexibility, enabling us to handle a wide variety of component types and sizes. Whether for small batches or large-volume production, we deliver with consistency, quality, and responsiveness to industrial needs.

Wind

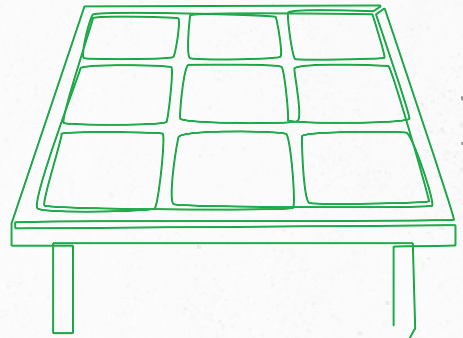
We provide comprehensive solutions for the wind energy sector through its integrated in-house tool room, foundry, and machining facilities. This setup enables us to deliver end-to-end manufacturing of large-size brass, steel cages and bushes, tailored to meet the demanding requirements of wind turbine applications with precision, reliability, and scale.

Railway

With a strong focus on mobility solutions, Harsha caters to the railway industry through precision-engineered components for wheel bearing systems. Our broad product range, including steel, brass, and polyamide cages, as well as precision-stamped parts supports varying volumes, design requirements, and seasonal demand. This flexibility ensures dependable supply and performance across diverse railway applications.

Aerospace Components

HEIL brings proven expertise in delivering high-precision stamped and machined components tailored to the stringent requirements of the global aerospace industry. Our capabilities are well-suited for low-volume, safety-critical parts where precision, reliability, and quality are paramount. Each component is manufactured with strict adherence to aerospace standards, ensuring performance in the most demanding environments.



Solar EPC

With a proven track record in clean energy, the solar division of HEIL, has been delivering turnkey solar photovoltaic (PV) solutions since 2010. Backed by over 14 years of experience and a 600+ MW installation base across India, we provide high-quality, sustainable energy systems for industrial, commercial, and utility sectors. Each project is built to meet the highest standards, ensuring maximum efficiency and long-term performance.

Chairman's Message

LETTER FROM THE CHAIRMAN

Our six strategically located manufacturing facilities, including leased facilities, supported by a worldwide network of warehouses, give us the scale and reach to deliver over 7,500 products to more than 25 countries across five continents, including each of the world's six leading bearing manufacturers.

Rajendra Shah
Chairman & Whole-Time Director

Dear Stakeholders,

It is my great pleasure to share this message with you on behalf of Harsha Engineers International Limited. This moment offers us an opportunity to reflect on a journey built on consistency, discipline, and technical excellence. Since our inception, we have focussed on one highly specialised area, the manufacturing of precision bearing cages. These components, though often unseen, are critical to the smooth functioning of machines across industries.

From automotive systems to industrial equipment, the quality of a bearing cage determines performance, reliability, and longevity. At Harsha Engineers, we have made it our goal to produce these parts with exacting accuracy and uncompromising quality. Precision has always been the core of our craft, and it continues to power both our progress and the progress of the industries we serve.

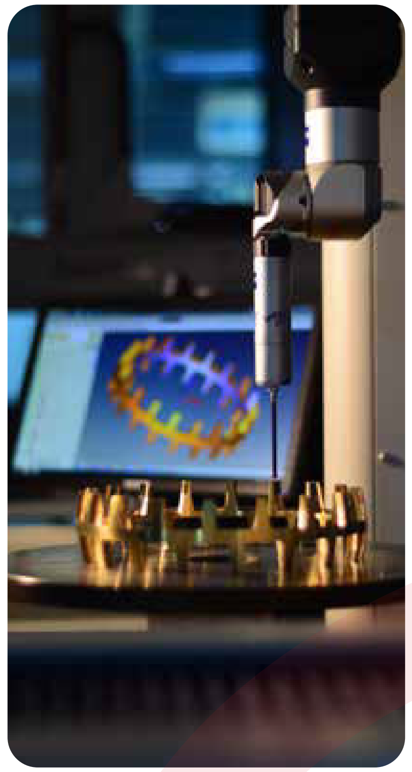
The Evolving Macroeconomic Landscape

The global business environment in 2024-25 continued to face persistent challenges, marked by inflationary pressures and escalating geopolitical uncertainties, including ongoing tariff measures by the US and instability in the Middle East. Despite these global headwinds, India's economy remained notably resilient, with real GDP growth recorded at 6.5% for the year, sustaining its momentum and reaffirming its position as one of the fastest-growing major economies in the world. This performance was supported by resilient domestic consumption, consistent export activity, and focussed Government interventions aimed at maintaining macroeconomic stability.

In the Union Budget 2025-26, the Government reaffirmed its commitment to infrastructure-led growth by allocating ₹11.21 lakh crores towards capital expenditure, marking an increase from ₹11.11 lakh crores budgeted in the previous year. Demonstrating this focus, the UDAN (Ude Desh ka Aam Nagrik) Regional Connectivity Scheme continues to expand regional air connectivity, significantly increasing the number of operational regional destinations and boosting passenger traffic, thereby enhancing integration of underserved areas into the national economy.

Among the sectors driving this transformation, railway infrastructure stands out as a key enabler of inclusive development. Its unmatched reach and utility across all social strata make it vital to national progress. Recognising its importance, the Government has channelled substantial investments into both the modernisation and capacity expansion of the railway network. In parallel, asset monetisation initiatives are being implemented to unlock the value of underutilised assets, attract private investment, and reduce reliance on budgetary support. By promoting public-private partnerships (PPPs), these efforts are enhancing operational efficiency, raising the quality of passenger services, strengthening freight logistics, and advancing Indian Railways towards long-term financial self-reliance.

Aligned with this broader growth narrative, India's automotive sector has emerged as a significant contributor to the global economy accounting for 7.1% of India's GDP and ranking as the fourth-largest vehicle producer. However, India's share in global traded auto components stands at only 3%, highlighting immense room for expansion. The Vision 2030 roadmap sets ambitious goals: scaling production to USD 145 billion, boosting exports to USD 60 billion, and creating 2 to 2.5 million new jobs. This vision is being catalysed by progressive policy support, including schemes like FAME, PM E-Drive, and the PLI initiative, which have together mobilised over ₹66,000 crores to drive localisation and EV adoption. With continued policy reforms and deeper integration into global value



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chains, India is well-placed to increase its global auto component trade share to 8% by 2030.

This evolving industrial landscape is also reflected in the precision engineering sector. The global bearing cages market is projected to expand from This evolving industrial landscape is also reflected in the precision engineering sector. The global bearing market is showing momentum, projected to expand from USD 120.51 billion in 2024 to exceed USD 179 billion in 2030. Behind this progress are industrial expansion, rising demand for heavy machinery, infrastructure investments, and a manufacturing upswing, highlighting the country's rising status as a global manufacturing hub Concurrently, global bearing manufacturers are increasingly shifting towards outsourcing to improve flexibility and efficiency. As a result, the need for technically capable, reliable partners has never been greater. The intricate nature of bearing cage production demands precision, consistency, and adherence to high-quality standards, qualities that form the foundation of long-term supplier relationships. This shift presents a significant opportunity for agile, innovation-led manufacturers to deepen their presence in global supply chains and leverage the rising demand for trusted, high-performance components.

Precision that Powers Progress

At Harsha Engineers, we continue to strengthen our position as a global leader in precision engineering. As the largest manufacturer of precision bearing cages in India, we hold a reasonable share in the global organised bearing brass, steel, and polyamide cages market. Our six strategically located manufacturing facilities, including leased facilities, supported by a worldwide network of warehouses, give us the scale and reach to deliver over 7,500 products to more than 25 countries across five continents, including each of the world's six leading bearing manufacturers.

The ongoing shift towards the China+1 strategy by global industry leaders has further strengthened our positioning in global supply chains. We are well-positioned to support international businesses looking to expand their footprint in India, and we remain committed to being a reliable partner in their success. This shift continues to open up valuable opportunities for sustained engagement and joint value creation.

Looking ahead, we will focus on expanding our market share in bushing product segment while actively diversifying into complex, high-precision stamped components – a natural extension of our engineering strengths and longstanding customer relationships. With clear priorities around innovation, operational excellence, and global integration, we are confident in our ability to sustain growth and deliver measurable impact for all our stakeholders.

Driving Sustainable Growth

Sustainability lies at the core of our strategic outlook, fully aligned with our purpose and long-term aspirations. We are committed to integrating responsible practices across every aspect of our operations, shaping a culture rooted in integrity, innovation, and continuous progress. Our environmental priorities include renewable energy adoption, enhanced resource efficiency, and the development of low-impact, future-oriented products across all business units.

Our leadership remains deeply engaged in driving this agenda, nurturing an inclusive and accountable workplace where every voice matters. Our people are key drivers of this vision, empowered through dedicated engagement programmes that cultivate environmental awareness and encourage active participation in sustainability initiatives.
In parallel, our corporate social responsibility efforts are focussed on delivering meaningful, values-led contributions to the communities we serve, strengthening our commitment to a just and sustainable future.

> Our dedication to innovation and excellence has enabled us to diversify into complex and specialised precision stamped components, expanding our capabilities and product offerings.
> We are equipped to manufacture bearing cages with diameters ranging from 20 mm to 2,000 mm, showcasing our versatility and technical prowess."

Thanking Note

As we look to the future, we are energised by the opportunities ahead. HEIL remains committed to innovation, with ongoing investments in emerging technologies aimed at enhancing efficiency, elevating customer experiences, and unlocking new avenues for growth. Guided by our strategic priorities, we are confident that the path forward will bring even greater outcomes.

Our focus on digital transformation, technological advancement, and strategic partnerships will be key to reinforcing our position as a leader in motion technology.
On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders and banking partners, including State Bank of India, Citi Bank, HDFC Bank, HSBC Bank, RBL Bank, Yes Bank, ICICI Bank, & Axis Bank for their continued trust and confidence. I also wish to thank our management team, dedicated employees, supportive banking partners, and all our stakeholders for their commitment and valuable contributions to the Company's success.

Warm regards,

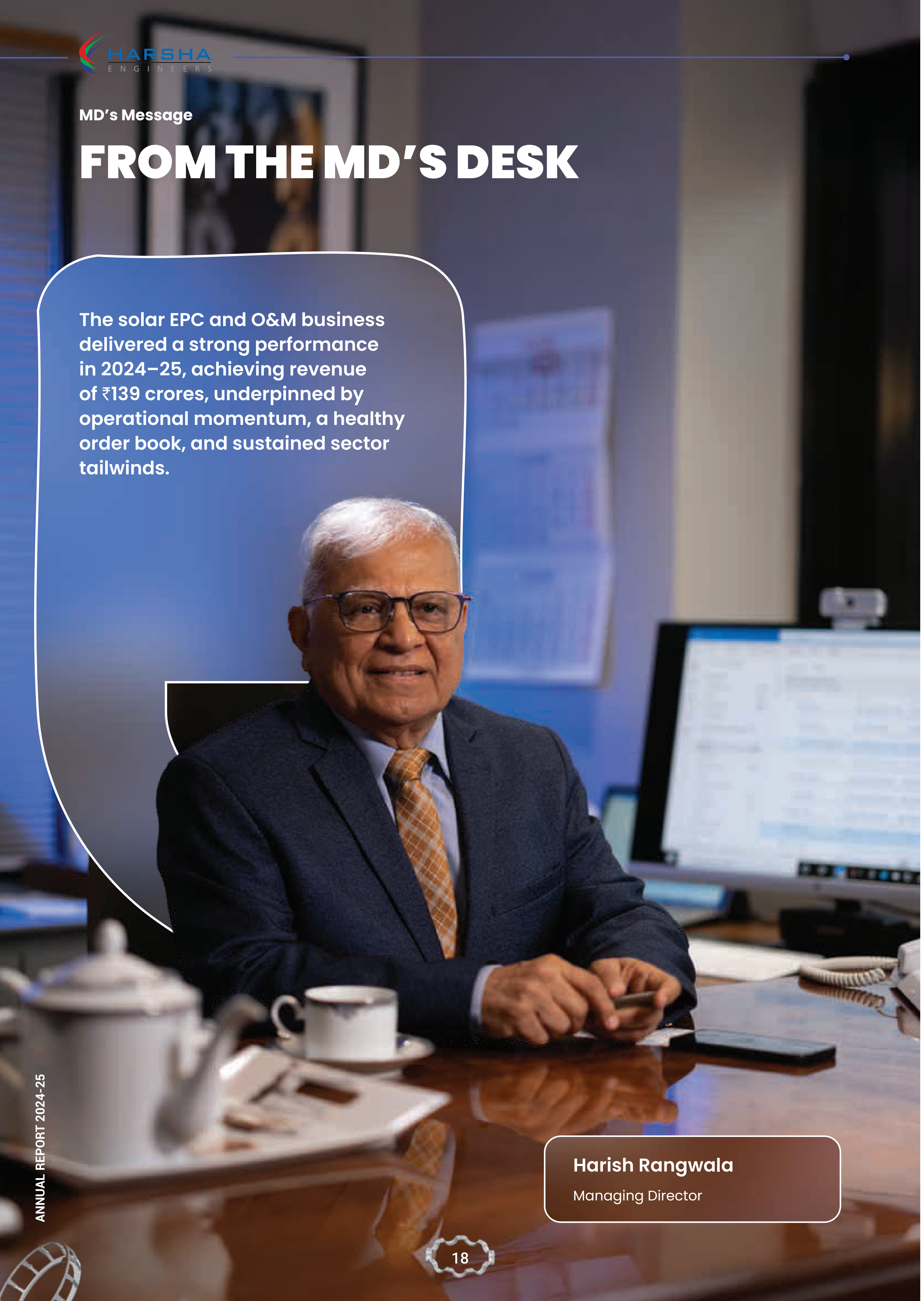
Rajendra Shah

Chairman & Whole-Time Director

MD's Message

FROM THE MD'S DESK

The solar EPC and O&M business delivered a strong performance in 2024–25, achieving revenue of ₹139 crores, underpinned by operational momentum, a healthy order book, and sustained sector tailwinds.



Harish Rangwala
Managing Director

Dear Stakeholders,

I am pleased to connect with you and share the progress and direction of Harsha Engineers as we continue our journey of growth and innovation. At Harsha Engineers, we are proud to have successfully navigated a significant transition in the industry by identifying and capitalising on emerging opportunities. Our deep technical expertise in non-ferrous casting and precision machining has enabled us to diversify into adjacent product segments such as bushings, particularly for the wind energy sector. This business has scaled rapidly, recording revenue of over ₹100 crores in 2024–25, and continues to see strong traction. This achievement strengthens our ability to innovate and respond with agility to evolving customer requirements.

Our capabilities in tooling, tool design, and complex tool manufacturing have laid a strong foundation for broadening our stamping portfolio beyond conventional bearing cages. A key focus area is the rapidly growing EV segment, particularly battery-operated green vehicles. We are actively developing and supplying high precision stamped components engineered to meet the specific demands of this market.

The solar EPC and O&M business delivered a strong performance in 2024–25, achieving revenue of ₹139 crores, underpinned by operational momentum, a healthy order book, and sustained sector tailwinds. With a disciplined focus on small- and mid-sized projects that minimise risk and capital intensity, we are well-positioned to capture rising demand in both rooftop and ground-mounted installations. Our strong execution track record and favourable market conditions give us confidence that this vertical will meaningfully contribute to our revenue growth and sustainability goals in the coming years.

We are seeing strong tailwinds from the global 'China +1' strategy, as customers increasingly de-risk their supply chains by expanding manufacturing capacities in India. This strategic shift has resulted in a significant increase in order inflows, with many global clients establishing or scaling up their presence within the country. In parallel, the Quality Control Order issued by the Ministry of Commerce, aimed at standardising bearing imports into India, is a welcome move that reinforces our belief in strengthening local manufacturing ecosystems and raising product benchmarks. Backed by our robust engineering capabilities and infrastructure, Harsha is well-positioned to support and lead through this transformation.

Our commitment to engineering excellence is evident in our workforce, which includes many engineering graduates trained to handle precision-oriented jobs. We undertake our own tooling and maintain a high level of technical proficiency, which not only sets us apart but also justifies a structurally higher employee cost base compared to traditional mass-production firms.

We also take our role as a responsible corporate citizen seriously. Social responsibility is a cornerstone of our philosophy. We are firmly committed to upholding international labour standards and ensuring ethical practices across our operations. Through rigorous supplier assessments, comprehensive training programmes, and transparent communication, we work proactively to prevent and eliminate exploitative practices. Our efforts aim to foster a safe, just, and equitable work environment throughout our value chain, underscoring our commitment to human rights and our aspiration to help shape a more ethical, inclusive global business landscape.

As we continue to build on our core strengths, Harsha Engineers remains committed to delivering value through innovation, technical leadership, and a strong customer- and society-centric approach. Our strategic focus, paired with our deep-rooted commitment to social responsibility and sustainable growth, positions us strongly for the future.

Best regards,

Harish Rangwala,

Managing Director

CEO'S MESSAGE

Our Bushing business emerged as a standout performer, with year-end revenues crossing ₹100 crores. This growth reflects our ability to anticipate industry shifts and respond with precision engineering capabilities.

Vishal Rangwala
CEO & Whole-Time Director

Dear Stakeholders,

It gives me great pleasure to connect with you at a time of continued progress and transformation for Harsha Engineers. In 2024-25, we navigated change with purpose, staying resilient in the face of uncertainty, and moving forward with confidence. Our ability to remain agile, innovate across product lines, and align closely with customer needs has allowed us to sustain growth and deliver consistent value across multiple geographies.

The global economy entered 2025 with renewed stability, buoyed by easing inflation, improving financial conditions, and continued resilience in the US market. Together, these factors created a more conducive environment for industrial and manufacturing activity. However, we remain mindful that the overall outlook is still fragile. Persistent geopolitical tensions and heightened policy uncertainty, particularly in developed markets, underscore the need for agility and adaptability in how companies operate and manage their supply chains. While growth prospects vary across advanced economies, many are navigating transitions in monetary and fiscal policy. In contrast, developing and emerging markets offer more dynamic but uneven opportunities. Global GDP growth is projected at 2.8-3.3% in CY 2025, reflecting a cautiously optimistic outlook amid ongoing structural adjustments and an evolving global risk landscape.

While tariffs and external shocks are expected to cause volatility in the global economy during 2025, India continues to stand apart as a structurally resilient economy with strong internal buffers. A robust push toward manufacturing, infrastructure development, and policy reforms continues to drive strong economic momentum. With domestic consumption contributing nearly 70% of GDP, India has traditionally been more sensitive to inflationary pressures. However, a combination of prudent fiscal management and timely supply-side measures has helped stabilise prices, supporting both consumer confidence and capital investment. As external uncertainties persist, India's internal demand, demographic advantage, and predictable policy environment provide a strong foundation for long-term growth.

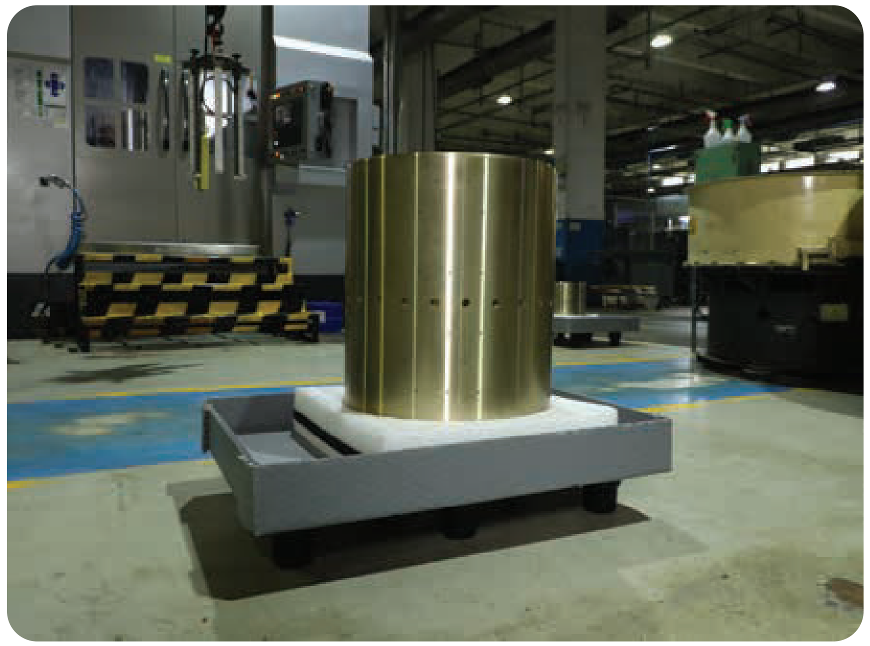
At Harsha Engineers, we are closely aligned with this domestic growth engine. Our investments in capacity expansion, product innovation, and strategic customer relationships are designed to leverage India's industrial trajectory and translate macroeconomic strength into sustained business value.

The Year Gone By

The year 2024-25 was about resilience, strategic expansion, and forward momentum for Harsha Engineers, with our performance reflecting both the strength of our core capabilities and the ability to adapt to evolving market dynamics.

Our Bushing business emerged as a standout performer, with year-end revenues crossing ₹100 crores. This growth reflects our ability to anticipate industry shifts and respond with precision engineering capabilities. We are proud to be the first and only domestic supplier in this space, and we anticipate a growth rate of at least 30% in 2025-26. We remain focussed on achieving our long-term aspiration of reaching a ₹300 crores annual run rate.

The Stamping business maintained steady growth, closing the year at approximately ₹54 crores. Our capabilities in tool design and manufacturing have allowed us to expand beyond conventional bearing cages and cater to the evolving needs



of the EV segment. We see strong potential in supplying components for green, battery-operated vehicles and are directing our R&D and engineering efforts toward this high-growth space.

Sales in Large Size Bearing (LSB) Cages remained stable at approximately ₹43 crores. While growth was flat, we are encouraged by early signs of industrial recovery and expect a gradual improvement in volumes over the coming year. Business from our Japanese customers also remained flat, with revenues of ₹65 crores. This was primarily due to project delays and broader market uncertainties. However, our relationships remain strong, and we are actively working on new developments to support increased offtake in the near future.

Our strategic positioning continues to benefit from the global 'China+1' shift. With several multinational customers expanding their operations in India, we have seen a notable increase in order inflows. A major sourcing contract for cages with a global customer was successfully secured, which is expected to add €6-10 million in annual revenue starting 2025-26.

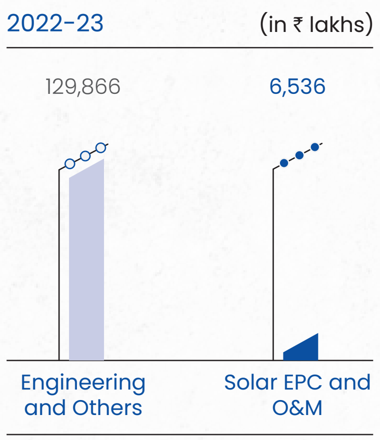
In line with our growth strategy, we made substantial investment of ₹209 crores in 2024-25, Which includes the Greenfield CAPEX project of Harsha Engineers Advantek Limited. This newly established facility will enhance our portfolio by supporting high-margin product lines, including bushings, LSB cages, and stamp components, with the initial phase focussed on bushings and stampings.

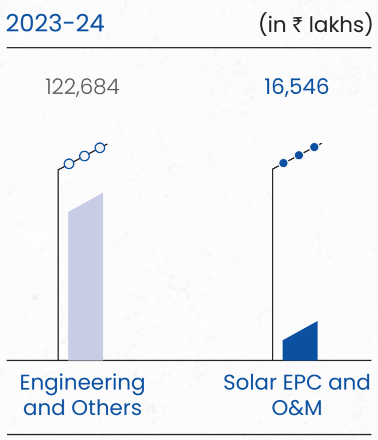
Our solar division, though operated without incremental capital or management intervention, delivered ₹139 crores in revenue during the year. However, the segment reported an EBITDA loss of ₹14 crores, primarily due to legacy receivable issues. Despite this, we remain committed to pursuing profitable growth in small to mid-scale solar projects, buoyed by a favourable ecosystem and rising energy demands.

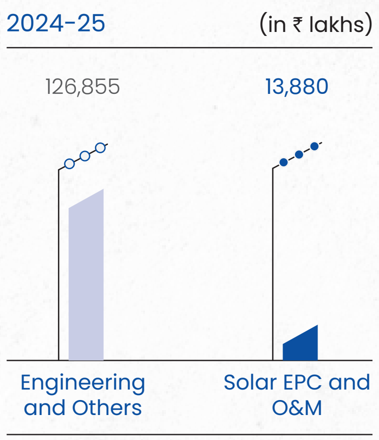
From a financial perspective, I am pleased to share that HEIL delivered stable consolidated performance in 2024–25. Revenue from operations stood at ₹140,765 lakhs, registering a modest growth of 1.10% over the previous year's ₹139,230 lakhs. Profit Before Tax (PBT) declined to ₹13,568 lakhs, compared to ₹15,075 lakhs in 2023–24, while Profit After Tax (PAT) stood at ₹8,931 lakhs, reflecting a decrease of 19.85% from ₹11,134 lakhs in the previous year. The decline in profitability was primarily on account of an impairment loss of ₹2,768 lakhs recognised on the carrying value of our investment in Harsha Engineers Europe SRL, our wholly owned subsidiary, based on an independent fair valuation. Additionally, a one-time bad debts written off of ₹2,060 lakhs in Solar EPC division further impacted the bottom line.

We view this as an opportunity to learn, adapt, and refine our strategies. With a clear focus on operational excellence, product innovation, and long-term value creation, we remain confident in our ability to deliver a stronger, more resilient, and sustainable financial performance in the year ahead.

Segment-Wise Revenue







Building a Responsible Future

At Harsha Engineers, sustainability is not just a parallel initiative, it is embedded into the way we operate, innovate, and grow. We believe that long-term business resilience is achieved by making responsible choices today that benefit both people and the planet. Our efforts are focussed on reducing our environmental footprint while enhancing social impact across all levels of the Company. To that end, we have made meaningful strides in expanding our use of clean energy, with increased integration of solar and wind power across our facilities. These initiatives not only lower our reliance on conventional energy but also contribute to our vision of a low-carbon future. We are equally committed to fostering a safe and empowering work environment, where the health, safety, and development of our workforce are central to our sustainability journey.

> "We are also expanding into adjacent product segments such as bushings and specialised components. This diversification draws on our engineering depth and enables us to serve a wider set of industrial applications with greater value-add."

Future Priorities

We are entering an exciting phase of growth, guided by a clear and focused strategy. As India's leading manufacturer of precision bearing cages, we are building on our core strengths while expanding our horizons across new technologies, product categories, and customer segments. A key priority is capturing the rising opportunity in the EV space. We are investing in the development of advanced, EV-specific components to meet the growing demand for sustainable mobility. These efforts are complemented by continued investments in automation, digital tools, and cutting-edge manufacturing processes.

We are also expanding into adjacent product segments such as bushings and specialised components. This diversification draws on our engineering depth and enables us to serve a wider set of industrial applications with greater value-add. To drive growth further, we are actively pursuing strategic customer partnerships and evaluating selective inorganic opportunities that align with our long-term vision. Operational excellence is equally critical. We are focussed on improving efficiency, optimising resources, and enhancing overall performance.

With a clear focus on innovation, agility, and customer-centricity, we are laying the groundwork for sustainable, scalable growth in a rapidly transforming global landscape.

A Note of Thanks

As we reflect on our journey and look ahead to new possibilities, I would like to take this opportunity to sincerely thank everyone who has contributed to our progress. The guidance of the Board, the dedication of our leadership team and employees, the confidence of our shareholders, and the continued support of our customers have all been vital to our success.

I am deeply grateful for the trust our business associates have placed in us. It is this shared belief that fuels our determination to push boundaries and deliver enduring value. I look forward to building on these strong relationships and warmly welcome new partners as we move forward together towards a future of continued growth and achievement.

Warm regards,

Vishal Rangwala,

CEO & Whole-Time Director

COO'S COMMUNIQUE

Harsha Advantek strengthens our competitive edge with advanced tooling and automation solutions for global bearing manufacturers, enabling integrated, high-precision offerings and unlocking growth in technology-driven markets.

Pilak Shah

COO & Whole-Time Director

Dear Stakeholders,

At Harsha Engineers International Limited, we have remained focussed on building operational resilience and driving strategic execution across our business. In a year shaped by macroeconomic uncertainty and shifting demand patterns, we made steady progress on key operational and financial fronts while laying a strong foundation for future growth.

Operational excellence remains fundamental to our success, supported by the implementation of Total Productive Maintenance. This initiative has led to measurable improvements in efficiency, product quality, and delivery timelines, reinforcing our commitment to dependable performance. We view employee welfare and workplace safety as non-negotiable imperatives, integrated into our operating model rather than treated as parallel obligations. These priorities are essential to building a resilient Company and delivering sustainable profitability.

Our relatively higher employee costs, when compared to mass-production companies, are a result of our deliberate focus on precision engineering. With in-house tooling capabilities, structured technical training programmes, and a talent base anchored in engineering graduates, we have built a depth of capability that is difficult to replicate. This approach provides a clear advantage over global counterparts, particularly in regions where replicating such expertise would involve significantly higher costs.

Our subsidiary, Harsha Advantek, continues to enhance this competitive edge by providing advanced solutions to global bearing and wind gear box manufacturers. With its focus on high-precision, customised engineering, Harsha Advantek strengthens our ability to offer integrated, end-to-end solutions while expanding our presence in high-value niche segments. This synergy not only complements our core operations but also opens new avenues for growth in technology-driven markets.

Employee well-being is at the heart of our operational philosophy. We believe that a safe workplace is not only a responsibility but also a critical enabler of long-term success. Our safety framework is built on continuous learning, vigilant monitoring, and open communication. Employees across all levels receive structured safety training to ensure they are equipped to work confidently and responsibly. Regular audits, safety drills, and hazard assessments are conducted to prevent incidents before they arise.

Equally, we recognise the value of employee feedback in shaping and improving our safety protocols. Through year-round engagement, including awareness drives and Safety Week initiatives, we foster a shared sense of ownership and accountability. This collective effort strengthens our culture of care and ensures that safety is woven into the fabric of everything we do.

With a strong foundation in place, we look to the future with confidence, continuing to build a workplace where people thrive and contribute to our journey of responsible and sustainable growth.

Warm regards,

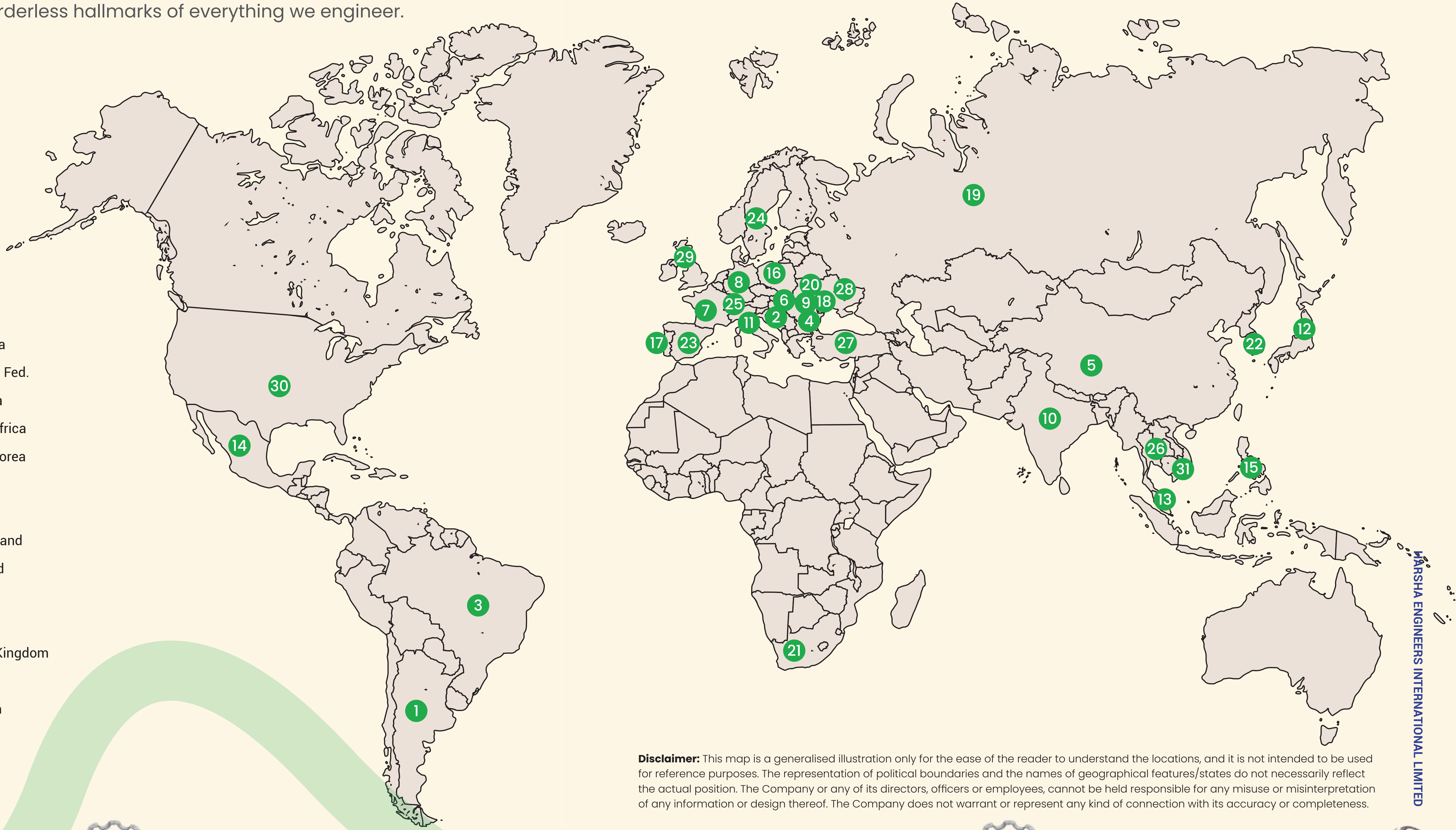
Pilak Shah,

COO & Whole-Time Director

Our Global Footprint

ENGINEERING EXCELLENCE ACROSS BORDERS.

We thrive on a globally connected mindset, delivering precision solutions that resonate across diverse markets. Our presence in key international hubs reflects not just scale, but strategic proximity to customers and an ability to respond to regional requirements with speed and relevance. By combining deep technical expertise with agile execution, we bridge geographies effortlessly, making quality, reliability, and innovation borderless hallmarks of everything we engineer.



1 Argentina
2 Austria
3 Brazil
4 Bulgaria
5 China
6 Czech Republic
7 France
8 Germany
9 Hungary
10 India
11 Italy
12 Japan
13 Malaysia
14 Mexico
15 Philippines
16 Poland
17 Portugal
18 Romania
19 Russian Fed.
20 Slovakia
21 South Africa
22 South Korea
23 Spain
24 Sweden
25 Switzerland
26 Thailand
27 Turkey
28 Ukraine
29 United Kingdom
30 USA
31 Vietnam

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

What Sets Us Apart

WHERE PRECISION FUELS PERFORMANCE.

Precision is the principle that underpins every aspect of our work. It shapes how we engineer solutions, build customer trust, and deliver long-term value. By combining technical depth with digitally enabled manufacturing, we create a clear competitive edge: one that allows us to address complex requirements with reliability, speed, and scale. Precision, for us, is a disciplined commitment to performance at every level.

1 More than Four Decades of Expertise in Core Manufacturing Processes

With over 50 years of experience in stamping, casting, machining and moulding, we have developed a deep understanding of manufacturing excellence. Our skilled teams, robust quality systems and unfaltering focus on continuous improvement ensure that we consistently meet demanding technical requirements. This foundation of capability and consistency continues to earn the trust of clients across global markets.

2 Broad Product Range and Agile New Product Development

We offer a comprehensive product portfolio while maintaining the flexibility to develop bespoke solutions through our dedicated new product development teams. With capabilities in rapid prototyping and validation, we can address complex requirements efficiently. This enables us to build strong, collaborative relationships with clients who seek innovation and reliability.

3 Diversified Presence Across High-Growth Industries

Our presence spans a wide spectrum of growth sectors, including automotive, green energy and industrial applications. This diversification supports long-term stability, mitigates concentration risk, and positions us to respond effectively to evolving global trends. We actively track sectoral developments and align our offerings accordingly, thereby ensuring that our offerings remain aligned and relevant across changing market dynamics.

4 Proprietary Expertise in Tooling and Automation

At Harsha Engineers, we take great pride in our proprietary tooling and automation capabilities, which underpin the consistency and precision of our manufacturing. Our in-house team enables swift design modifications, efficient production runs, and tight control over quality standards. Automation reduces the scope for error, streamlines production flows, and improves turnaround times. We continue to upgrade our technology stack to ensure that our manufacturing systems remain agile, scalable, and future-ready.

5 Global Market Leadership in Outsourced Bearing Cages

We have built a strong reputation as a global leader in outsourced bearing cage manufacturing. Our products are widely recognised for their reliability, quality, and adaptability to customer specifications. Strategic investments in capacity, automation, and operational efficiency have reinforced our competitive edge, enabling us to deliver consistently at scale. The trust placed in us by clients worldwide inspires us to continually raise benchmarks and enhance the value we deliver.

6 Material Expertise Across Steel, Brass and Polyamide

Our experience across a wide range of materials, including steel, brass and polyamide, enables us to deliver reliable solutions tailored to varied operational environments. We combine advanced metallurgical and polymer know-how with precision engineering to help our clients optimise for performance, sustainability, and cost. This material adaptability, coupled with our manufacturing agility, positions us as a long-term partner to industries with varied and evolving technical requirements.

7 Strategic Partnerships with Global Industry Leaders

We view partnerships as a key driver of progress. Our collaborations with global industrial leaders not only open access to advanced technologies and market intelligence but also strengthen our capacity for co-creation and cross-border innovation. These alliances enable us to co-develop customised solutions, enter new markets with confidence, and infuse fresh thinking into our systems. Through these relationships, we continuously expand the value we deliver to clients and enhance our strategic agility.

8 Innovation for Precision and Green Energy

We place a strong emphasis on research and development to advance precision component design and sustainability. Our teams work with cutting-edge tools to create components that are not only robust and efficient but also environmentally responsible. This innovation-led mindset enables us to support clients in achieving high-performance outcomes while advancing their decarbonisation and sustainability targets.

Business Model

A MODEL FORGED IN PRECISION

Capital	Description	Inputs	Outputs
Financial Capital	Reflects the effective utilisation of invested and generated funds through business operations, representing the overall value of capital employed in running the organisation.	• Total Equity: ₹125,414 lakhs • Total Assets: ₹169,106 lakhs	• Revenue: ₹140,765 lakhs • Total Investment: ₹6.314 lakhs • PAT Margin: 6.34% • RoE: 7.35%
Manufactured Capital	Comprises manufacturing plants, offices, and warehouses, and is geared towards reducing reliance on natural resources while enhancing operational efficiency.	• No. of Manufacturing Plants, including Leased Plants: 6 • No. of Warehouses: 20+	• Bearing Cages Produced in 2024-25: 6,764 lakhs
Intellectual Capital	Highlights the value of intangible assets such as IP rights, content, patents, and trademarks that drive business growth and foster innovation.	• Trademarks Owned: 4	• New SKUs Launched in 2024-25: 450
Human Capital	Prioritises skill-building and employee development to enhance productivity and performance across all functions.	• Training Modules Completed: 7 • Investment in L&D: ₹27 lakhs • Total Training Hours: 30,885	• Attrition Rate: 11.70% • Average Age of Employees: 34
Social and Relationship Capital	Encourages responsible resource management while fostering strong relationships with communities and institutions.	• Total CSR Contribution: ₹ 171 Lakhs^	• People Benefitted from CSR Projects: 169 • 100% from Vulnerable/ Marginalised Groups
Natural Capital	Aims to lower the carbon footprint and optimise resource usage, aligning business practices with broader societal welfare.	• Total Electricity Consumption from Renewable Sources: 5,742.51 GJ • Total Electricity Consumption from Non-Renewable Sources: 102,675.89 GJ • Total Energy Consumption: 109,131.64 GJ	• Installed Capacity (Solar + Wind): 7.962 MW • Water Consumption in 2024-25: 33,000 KL

SDG Linkage

^Excludes ₹135 lakhs transferred to Unspent CSR Account towards an ongoing project.

1. Total Equity = Share Capital + Other Equity

2. Total Investment includes all investments excluding investment to subsidiaries and cash and cash equivalents

3. RoE = PAT/((Beginning Equity + Ending Equity)/2)

Materiality Assessment

ALIGNING PURPOSE WITH PRIORITIES.

Our growth is guided by a deep understanding of what truly matters to our stakeholders, our business, and the world around us. Through a structured materiality assessment, we identify and prioritise the environmental, social, and governance (ESG) issues that hold the greatest significance. This discipline ensures that our strategy remains grounded in stakeholder priorities, regulatory shifts, and long-term sustainability commitments. By directing our focus where it delivers the most impact, we strengthen our ability to create lasting value and lead responsibly into the future.

Our Materiality Assessment Process

Framing the Scope of Material Topics

We began by scanning industry benchmarks, peer best practices, and established ESG frameworks to identify a broad universe of topics with potential material relevance to our business and stakeholders.

Prioritising Issues Based on Business Relevance

Each topic was evaluated against HEIL's strategic priorities, vision, and risk landscape. Input from leadership was incorporated to ensure alignment with long-term organisational goals.

Linking Topics to Enterprise Risk and Strategy

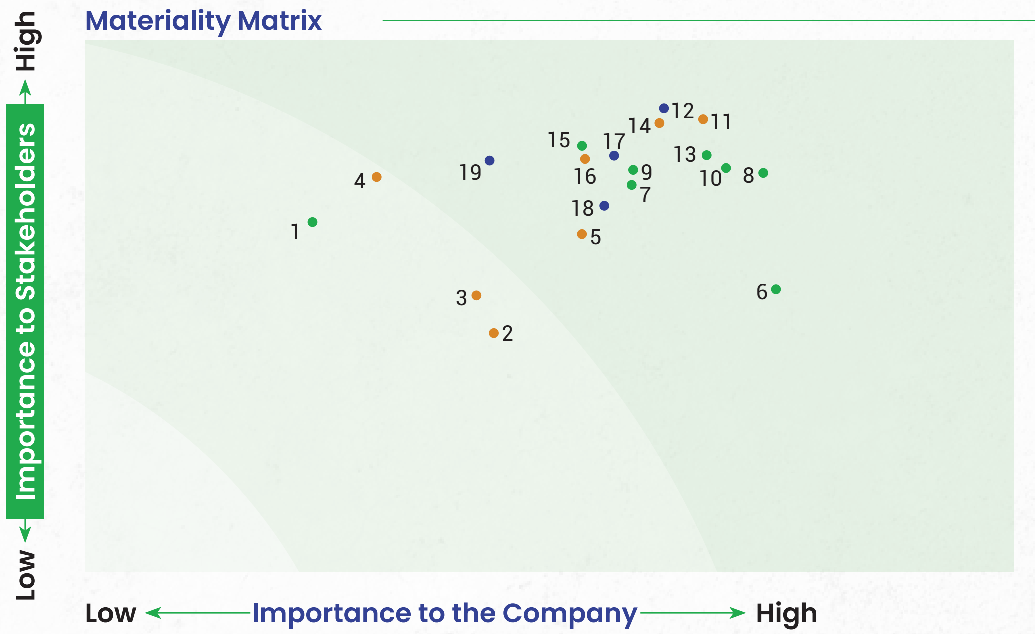
We analysed how each issue contributes to achieving strategic business outcomes and mitigating key operational risks. This helped integrate ESG with business planning and performance.

Engaging Stakeholders for Holistic Insights

Through targeted surveys and feedback mechanisms, we engaged with a cross-section of stakeholders, internal and external, to capture diverse perspectives and gauge the perceived importance of ESG issues.

Interpreting Data to Shape the Materiality Matrix

Insights from all stages were synthesised to build a materiality matrix. The final set of high-priority topics was reviewed and validated by senior leadership to ensure strategic alignment and actionability.



1. Biodiversity and Resources
2. Supplier Economic and Governance Performance
3. Economic Value Creation
4. Information Security
5. Responsible Sourcing
6. Climate Transition Risk
7. Waste and Recycling
8. Product Design and Lifecycle Management
9. Product Quality and Safety
10. Emission Management
11. Corporate Governance
12. Occupational Health and Safety
13. Energy Management
14. Compliance and Integrity
15. Water and Wastewater Management
16. Anti-Corruption
17. Employee Advancement and Development
18. Local Communities
19. Diversity and Equal Opportunity

Our Materiality Issues

Environment

1	Climate Transition Risk
2	Energy Management
3	Emission Management
4	Waste and Recycling
5	Water and Wastewater Management
6	Biodiversity and Resources
7	Product Design and Lifecycle Management
8	Product Quality and Safety

Social

1	Occupational Health and Safety
2	Local Communities
3	Employee Advancement and Development
4	Diversity and Equal Opportunity

Governance

1	Corporate Governance
2	Compliance and Integrity
3	Information Security
4	Economic Value Creation
5	Responsible Sourcing
6	Anti-corruption
7	Supplier Economic and Governance Performance

Double Materiality Matrix

The Company conducted a double materiality assessment for its key material risks, presenting them in a matrix that visually illustrates how these risks align with both financial materiality (their impact on the Company's business) and impact materiality (their effects on society and the environment).

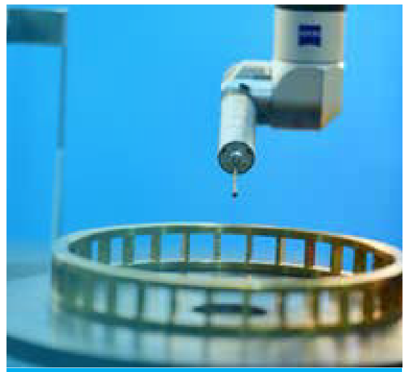
This matrix categorises critical topics based on two dimensions

Topic	Financial Materiality	Impact Materiality
Energy efficiency & renewable energy	High	High
GHG emissions & climate action	High	High
Water stewardship	Medium	High
Waste management & circularity	Medium	High
Biodiversity	Low	Medium
Lean manufacturing	High	Medium
Health & safety	High	High
Diversity, Equity & Inclusion	Medium	High
Human rights & working conditions	Medium	High
Training & development	Medium	Medium
Community engagement (CSR)	Low	High
Governance, ethics & anti-corruption	High	Medium
Information security & privacy	High	Medium

Strategies

LEADING WITH PRECISION AND PURPOSE.

Our strategies are rooted in clarity of purpose and driven by engineering excellence. We combine deep industry expertise with forward-thinking execution to stay ahead in a dynamic global landscape. Whether we are expanding into high-growth markets, accelerating innovation, or sharpening operational agility, every initiative is designed to deliver long-term value: with precision, discipline, and a clear sense of intent.



Enhance Market Leadership in Bearing Cages and Customer Base Expansion

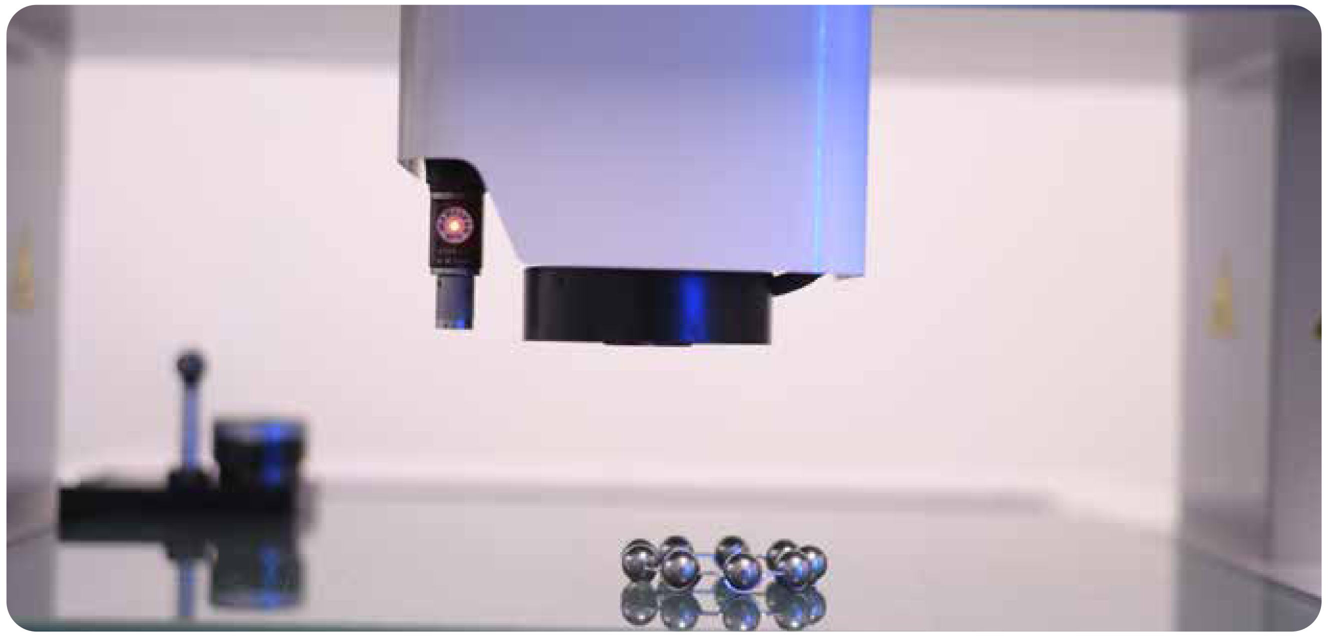
We continue to reinforce our position as a global leader in bearing cage manufacturing by leveraging our deep technical know-how and customer-first mindset. Our focus is on expanding our global customer base through tailored, industry-specific solutions and enhanced service models. By consistently pushing the envelope on product performance and quality, we aim to deepen strategic relationships and enter new markets, reinforcing our position in this specialised domain.

Growing Bushings and Specialised Component Segment

With increasing demand in bushings and specialised precision parts, we are sharpening our focus on this promising segment. Our investments in advanced manufacturing systems and R&D allow us to meet complex requirements with agility and accuracy. By prioritising custom-built solutions, we aim to deliver differentiated value to clients and scale our presence in this high-growth, technology-led space.

Increased Focus on Developing Products Suited to Capture Market Opportunity in the Growing EV Segment

The rise of electric mobility presents a significant growth opportunity. We are aligning our innovation engine to meet the evolving needs of EV manufacturers. Through cutting-edge product development, strategic partnerships, and responsive engineering, we are building a portfolio of next-generation components tailored to this transformative space. Our goal is to be a preferred partner in the EV ecosystem by delivering precision, performance, and sustainability.



Retain and Strengthen Technological Leadership Through Continued Focus on Development and Automation

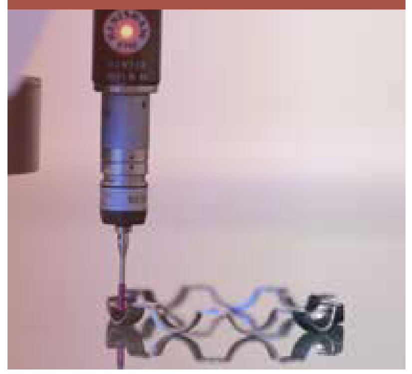
We are committed to maintaining our competitive edge through continuous technological upgrades and deeper automation integration. By embedding digital intelligence and smart automation into our production lines, we improve throughput, reduce variability, and enhance overall equipment effectiveness. This forward-looking approach ensures we stay ahead of the curve, meeting stringent quality expectations while raising the bar on operational performance.

Focus on Growth by Partnerships with Customers and Opportunistic Inorganic Acquisitions

Strategic partnerships and selective acquisitions form a key pillar of our growth strategy. We proactively engage with clients to co-develop solutions, deepen collaboration, and strengthen mutual value creation. At the same time, we evaluate targeted acquisitions that complement our core capabilities and provide access to new technologies or geographies. This dual approach enhances our business agility, resilience, and long-term competitiveness.

Focus on Increasing Operational Efficiencies to Improve Returns

Improving operational productivity remains fundamental to our value creation journey. By embedding automation, optimising lean processes, and deploying intelligent resource planning, we are improving efficiency and profitability across operations. These initiatives are designed not just to manage costs, but to enable faster execution, smarter decision-making, and more sustainable outcomes for all our stakeholders.



Six Capitals

POWERING PROGRESS THROUGH OUR CAPITALS.

We believe sustainable growth stems from the thoughtful stewardship of all our capitals: financial, manufactured, intellectual, natural, human, and social and relationship. Each capital plays a vital role in shaping long-term value. By harnessing these interconnected resources with care and intent, we drive innovation, resilience, and responsible performance across everything we do.

FINANCIAL CAPITAL

This represents the backbone of our growth engine. Our ability to generate and allocate capital efficiently enables us to invest in innovation, upgrade infrastructure, and develop talent. Prudent financial management underpins our efforts to deliver consistent returns, expand our presence across markets, and create lasting value for our stakeholders.


Read More on Page 38

MANUFACTURED CAPITAL

The physical infrastructure, including advanced manufacturing plants, warehouses, and process capabilities, forms the backbone of HEIL's operations. This capital enables large-scale, high-quality production while continuously enhancing operational efficiency and productivity.


Read More on Page 40

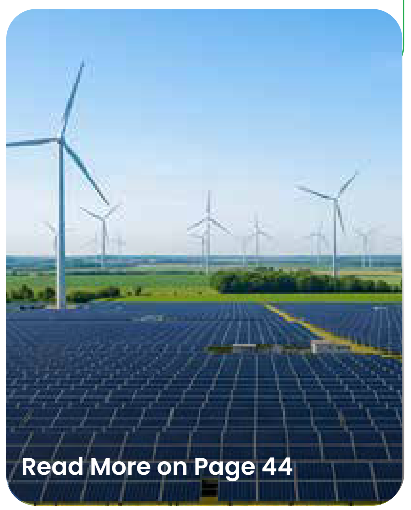
INTELLECTUAL CAPITAL

HEIL's innovation ecosystem includes our design capabilities, proprietary know-how, in-house tooling, and registered trademarks. Intellectual capital supports the development of advanced, customised solutions and strengthens customer relationships through differentiation and excellence.


Read More on Page 42

NATURAL CAPITAL

HEIL is committed to responsible environmental stewardship. Through energy-efficient processes, renewable energy adoption, sustainable sourcing, and waste management practices. These efforts help us reduce our ecological footprint and contribute meaningfully to a cleaner, more resilient future.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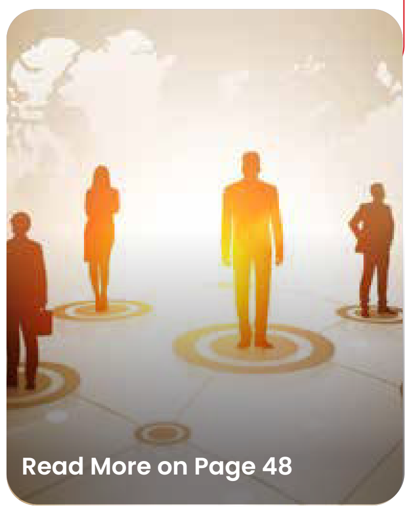
HUMAN CAPITAL

Our people are our most valuable asset. The Company fosters a culture of integrity, inclusivity, learning, and safety. Investments in training, well-being, and leadership development drive performance and long-term growth across the Company.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SOCIAL AND RELATIONSHIP CAPITAL

Strong stakeholder relationships and responsible corporate citizenship are key to HEIL's success. Through transparent governance, customer collaboration, supplier partnerships, and community engagement, the Company builds trust and drives collective progress.


Read More on Page 54

Financial Capital

FUELLING PRECISION WITH FINANCIAL STRENGTH.

As a global leader in precision engineering and bearing cage manufacturing, we recognise the importance of disciplined financial management in enabling strategic growth. Our ability to mobilise capital effectively enables us to invest in R&D, expand global operations, and navigate dynamic markets. Through prudent stewardship, strong governance, and a clear focus on long-term value creation, we remain resilient while powering sustainable progress. By aligning capital allocation with stakeholder priorities, we ensure that our financial strategy supports both short-term performance and enduring business continuity.

2024-25 Highlights

Revenue
₹140,765 lakhs

EBITDA
₹18,499 lakhs

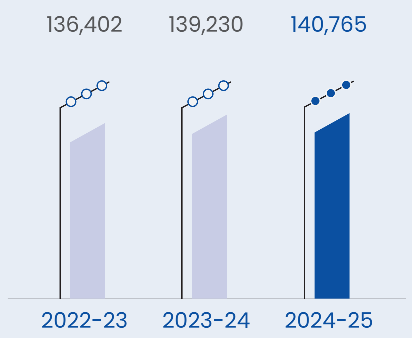
Adjusted EBITDA
₹23,327 lakhs

PBT
₹13,568 lakhs

Adjusted PBT
₹18,396 lakhs

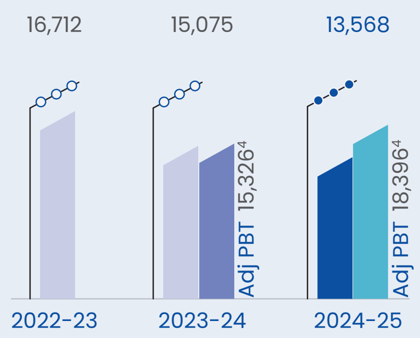
Market Capitalisation as on March 31, 2025
₹340,277 lakhs

Revenue from Operations (in ₹ lakhs)



HEIL's revenue from operations has been on an upward trajectory, increasing from ₹136,402 lakhs in 2022-23 to ₹139,230 lakhs in 2023-24 and further to ₹140,765 lakhs.

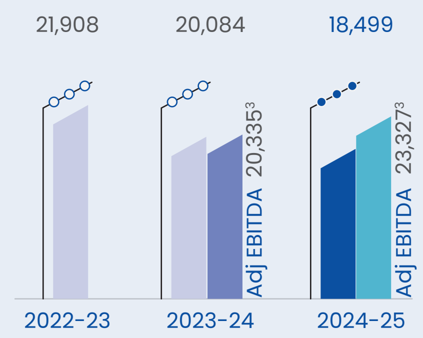
PBT (in ₹ lakhs)



HEIL's Profit Before Tax declined from ₹15,075 lakhs in 2023–24 to ₹13,568 lakhs in 2024–25, reflecting a moderation after the previous year's growth.

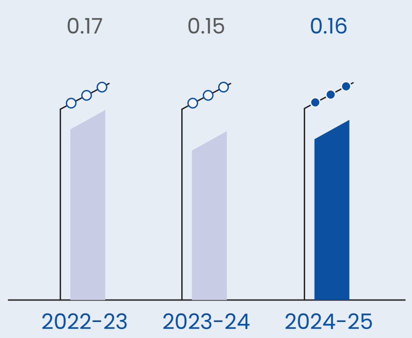
On an adjusted basis, Profit Before Tax increased from ₹15,326 lakhs in 2023–24 to ₹18,396 lakhs in 2024–25, driven by underlying operational efficiencies and normalisation of one-off expenses.

EBITDA[1] (in ₹ lakhs)



HEIL's EBITDA stood at ₹21,908 lakhs in 2022–23 and ₹20,084 lakhs in 2023–24, before moderating to ₹18,499 lakhs in 2024–25. This reflects a phase of operational consolidation following a period of strong performance.
On an adjusted basis, EBITDA improved from ₹20,335 lakhs in 2023–24 to ₹23,327 lakhs in 2024–25, representing a growth of 14.7%.
This increase underscores the Company's ability to deliver robust core operating performance despite headline moderation.

Debt/Equity[5] (in times)



HEIL's Debt/Equity ratio improved from 0.17x in 2022–23 to 0.15x in 2023–24, before recording a marginal uptick to 0.16x in 2024–25.

Note:

1. EBITDA = PBT + Finance Cost + Depreciation
2. Debt-Equity Ratio = Total Debt (current and non-current borrowings & lease liabilities) divided by Total Equity
3. Adjusted EBITDA = EBITDA + Bad Debts Write Off + Exceptional Items
4. Adjusted PBT = PBT + Bad Debts Write off + Exceptional Items

WHERE MACHINES MEET MASTERY.

At Harsha Engineers, manufacturing excellence is a strategic asset. Our modern production infrastructure is designed to enhance operational performance, enabling us to deliver cost-effective and high-quality solutions across a broad range of industries. As a trusted global provider of precision components, we are recognised for our expertise in producing bearing cages and complex stamped parts. These components support a wide spectrum of sectors, including automotive, rail, aerospace, construction, mining, agriculture, electronics and renewable energy.

Our advanced production facilities, strategically located across India, China, and Romania, reflect our commitment to precision, scalability, and consistent global delivery. From high-performance CNC machines to automated assembly lines, every element of our manufacturing ecosystem is designed to deliver precisionled solutions at scale. Ongoing upgrades, automation, and smart technology integration ensure our capital assets evolve in tandem with our ambition.

Our commitment to innovation is deeply embedded in our manufacturing ecosystem, anchored by fully equipped tool rooms housing advanced machinery such as hard milling and turning systems, CNC wire-cut machines, rotary EDMs, multi-axis machining centres, and high-precision metrology tools, including coordinate measuring machines (CMMs).

These capabilities allow us to uphold exceptional standards of precision and consistency across all product lines.

Over the years, our manufacturing scope has expanded well beyond bearing cages. Today, we deliver end-to-end metal stamping solutions for the automotive, bearing and sealing, and electrical appliance industries. Recent diversification into sand casting, bushings, and high-value stamped assemblies has positioned us to address specialised applications across wind energy, marine operations, and mineral extraction, sectors that demand high durability and tailored engineering.

With the global shift towards electric mobility, HEIL is well placed to increase its market presence in the precision engineering segment.
Our extensive network of manufacturing sites, warehouses and representative offices worldwide strengthens our ability to serve clients efficiently and reliably, wherever they operate.

20+
Warehouses

Our Manufacturing Facilities

Harsha Engineers International Limited Changodar Plant

Harsha Engineers Europe SRL

Harsha Engineers International Limited Moraiya Plant

Harsha Engineers Advantek Limited Bhayla Plant[1]

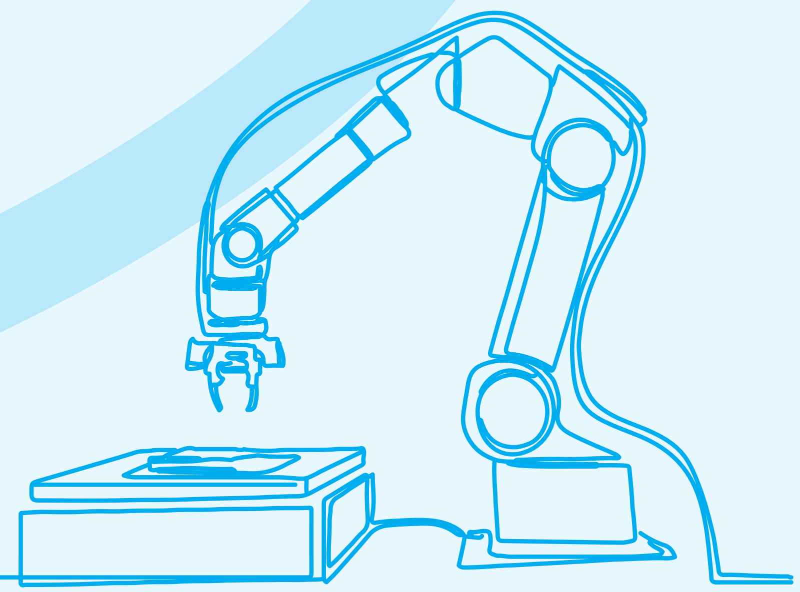
1. Under construction stage

Harsha Precision Bearing Components (China) Co. Limited

Sustainable Supply Chain Stewardship

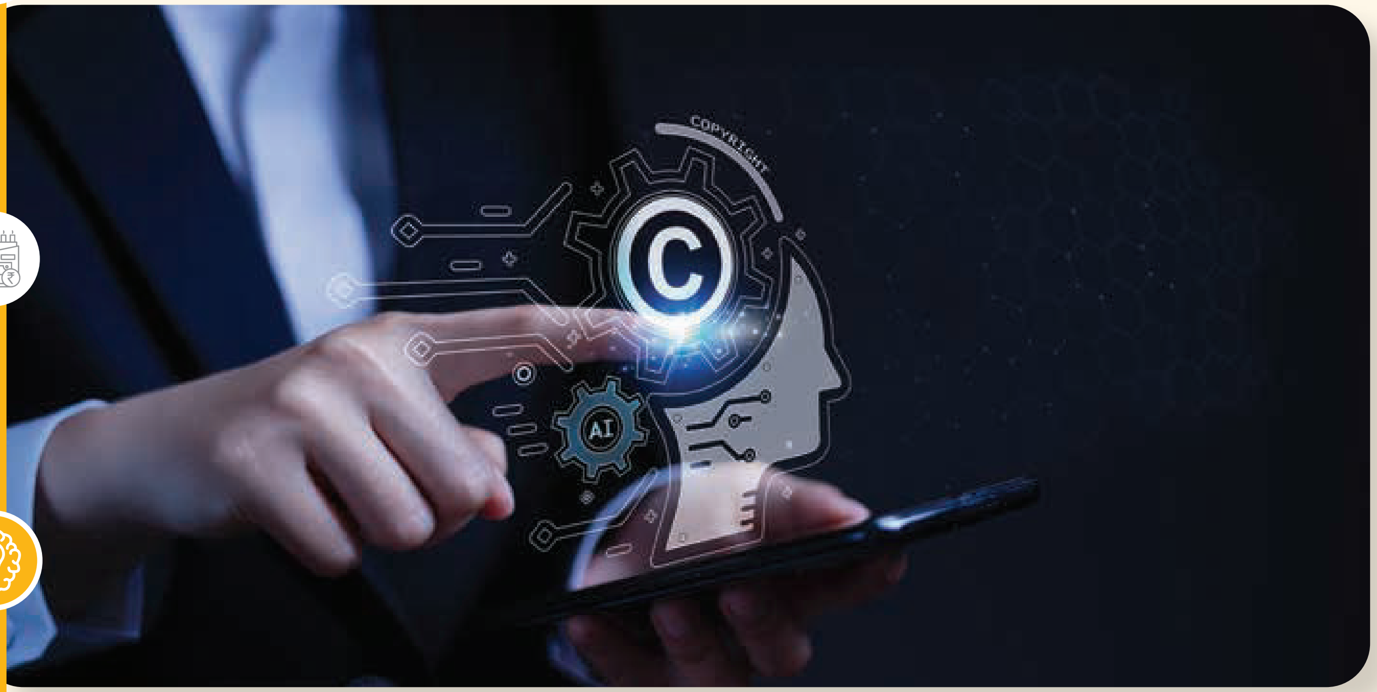
Environmental responsibility lies at the heart of our supply chain approach. At Harsha Engineers, we are dedicated to building a safe, ethical, and sustainable network in close collaboration with our partners. Our General Purchasing Agreement clearly outlines environmental and sustainability expectations, ensuring that all suppliers align with our values.

In 2024–25, 36.00% of our value chain partners (by value of business) participated in training sessions on sustainability, including CO_2 calculation, and were assessed for their environmental impacts. This engagement fosters accountability and promotes environmentally sound practices across every stage of the product journey, from sourcing raw materials to delivering precision-engineered components.



Intellectual Capital

WHERE IDEAS DRIVE PRECISION.



Intellectual capital forms the backbone of our value-creation engine, enabling us to push the boundaries of engineering precision. Our strength lies in the depth of expertise, proprietary know-how, and a culture of innovation that fuels performance across every function. Through continuous R&D, process optimisation and technology integration, we transform ideas into high-performance solutions. By safeguarding intellectual property and embracing digital systems, we ensure sustained competitive advantage. Our people, systems and innovation-led culture work together to turn insight into impact, powering precision-led progress across global markets.

2024-25 Highlights

7,500+
SKUs Developed till Date

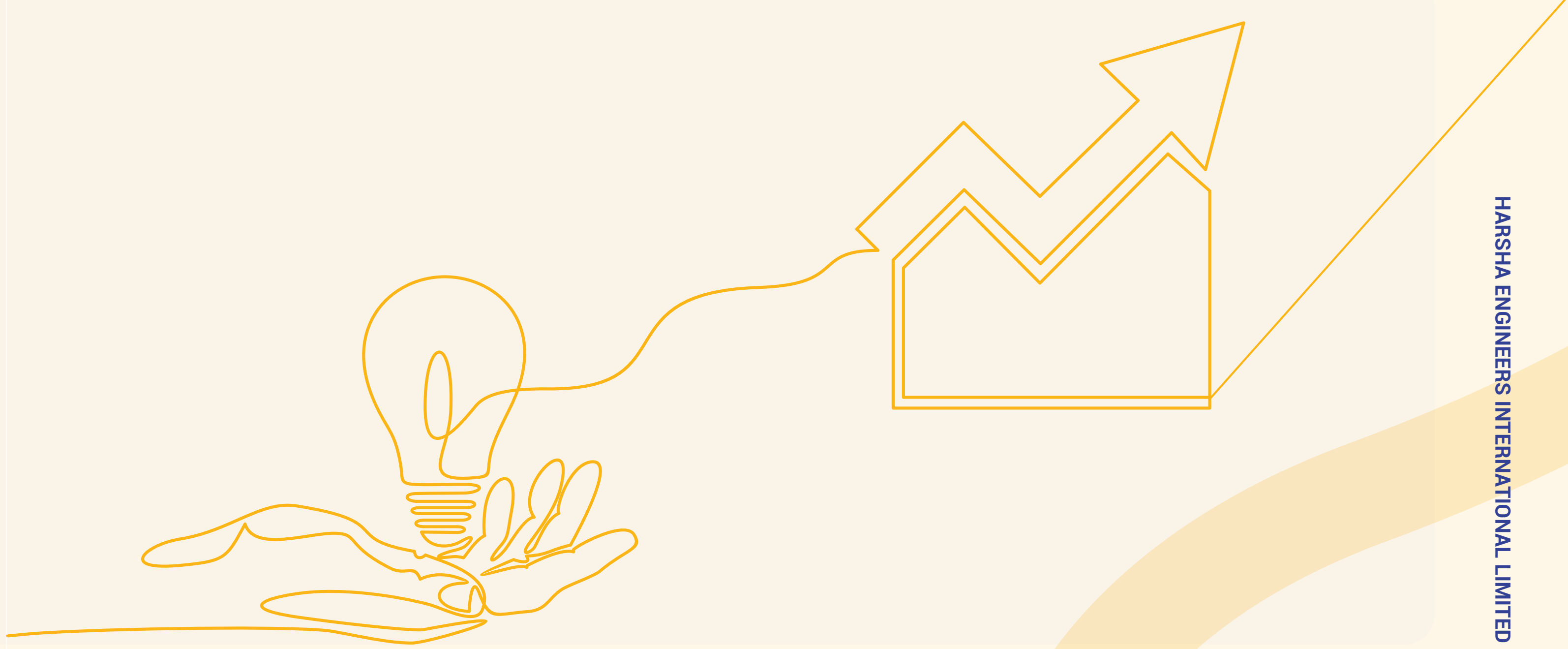
450
SKUs Developed

Technology serves as a core enabler of innovation and consistent quality. Our focus on advanced design, tool development, and engineering precision is supported by a fully equipped in-house toolroom and a highly skilled team of experienced engineers.

We leverage cutting-edge software such as Pro Engineer for 3D modelling, AutoCAD, Hyperworks, numerically controlled tool path systems and sheet metal formability simulation tools. These systems help ensure flawless execution by eliminating design inconsistencies and improving production accuracy.

Our infrastructure brings together advanced machinery and agile manufacturing practices, allowing us to produce high-quality stamped components and steel cages that meet the evolving needs of modern industries. In anticipation of the automotive sector's transition to electric vehicles, HEIL has made strategic investments to enhance its tooling and design capabilities.

Our proactive approach allows us to significantly shorten development cycles for cage moulds, with a particular emphasis on lightweight polyamide cages that are essential to EV powertrains. By combining deep technological expertise with strategic foresight, we are well positioned to support the rapid expansion of the EV market and deliver precision-engineered solutions that advance the future of mobility.



IN HARMONY WITH THE ENVIRONMENT.

Environmental stewardship is deeply embedded in how we operate, innovate, and expand. We recognise that long-term success depends on the responsible use of natural resources and the protection of ecological balance. From energy efficiency and water conservation to waste reduction and sustainable sourcing, we take a systems-led approach to reduce our environmental footprint while upholding the rigour of precision engineering. By aligning our operations with global sustainability goals, we aim to contribute meaningfully to a greener, more resilient future.

We believe that meaningful environmental responsibility must be underpinned by continuous technological advancement. To strengthen this commitment, we have adopted a certified environmental management system aligned with ISO 14001 standards. This internationally recognised certification underscores our disciplined approach to environmental performance management and reflects our determination to uphold the highest benchmarks as a responsible global manufacturer.

ISO 14001 Certified

Environmental Management System

We actively monitor and manage our environmental performance through continuous tracking and data-led controls, enabling targeted action across critical areas such as energy consumption, water usage, waste treatment, emissions mitigation, and pollution prevention. These efforts not only support compliance but also improve operational efficiency and resource conservation. By embedding environmental responsibility into day-to-day practices, we aim to reduce our ecological footprint while cultivating a shared culture of environmental consciousness across the Company.

Energy Efficiency

Improving energy performance remains a central pillar of our sustainability agenda. We are actively reshaping our operational practices by embedding energy-efficient technologies and intelligent control systems across our production units. We have embraced a variety of modern solutions, including low-energy machinery, smart energy monitoring tools and efficient lighting upgrades. These tools enable real-time visibility into energy usage, helping us pinpoint inefficiencies and implement timely, data-informed interventions. Among the targeted actions we have introduced are:

Expanding Renewable Energy Capacity

Solar power plays a key role in our sustainability roadmap. In 2024-25, we commissioned a 0.383 MW rooftop solar plant at our Moriya facility. With a total installed capacity of 4.012 MW across rooftop and ground-mounted systems in India, we generated 12 million units of clean electricity in 2024-25. This achievement marks a meaningful reduction in fossil fuel dependence.

Additionally, on May 23, 2025, we commissioned a 10.4 MWp solar tracker PV power plant (comprising two 5.20 MWp units) in Vada, Kankrej, Banaskantha, Gujarat. This Solar Plant facility is expected to produce 15 million units of electricity annually. This investment not only supports our energy independence but also reinforces our long-term commitment to environmental stewardship.

Wind energy also contributes significantly to our renewable portfolio. A 1.25-MW windmill at our Kalyanpur site supports consistent generation of sustainable power. Meanwhile, our Pipaliya facility benefits from an innovative hybrid project that combines a 2.7-MW wind turbine with solar infrastructure delivering 0.675 MW AC and 1.0125 MW DC power. Designed for reliability and performance, this hybrid system underlines our focus on advanced, resilient energy models.

Improving Operational Energy Efficiency

Energy-efficient upgrades have been introduced across our manufacturing operations. These include transitioning to LED lighting, replacing outdated equipment with energy-efficient alternatives, and exploring opportunities for renewable energy integration, all of which have contributed to measurable energy savings.

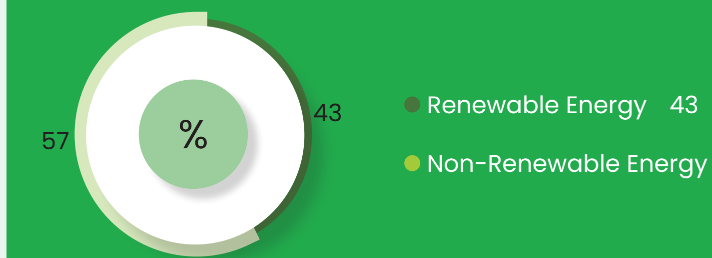
To improve system responsiveness, we have installed variable frequency drives (VFDs) on our air compressors. These allow dynamic adjustments based on real-time load requirements, helping to lower energy usage while maintaining performance.

Automation has also played a role. Automatic shutdown protocols for idle equipment and refinements in filtration plant workflows, have significantly cut back on unnecessary power consumption.

Smart Technologies and Innovation in Energy Use

Innovation continues to shape our energy approach. Smart energy management tools powered by IoT are being deployed to optimise usage patterns and reduce waste. We are also developing eco-conscious projects such as the Eco Ambulance, blending technological advancement with sustainability-focussed design.

2024-25 Highlights



Emissions Management

We recognise the importance of maintaining clean air and minimising emissions associated with our manufacturing activities. As part of our commitment to environmental responsibility, we remain focussed on reducing pollutants generated during operational processes.

Fossil fuel combustion during certain manufacturing phases can result in the release of nitrogen oxides (NOx) and sulphur oxides (SOx), contributing to acid rain, degraded air quality, and public health risks. In response, we have adopted a proactive approach to emissions control, incorporating robust environmental safeguards and continuously refining our processes to minimise harmful outputs.

2023-24 Overview

6,618 TCO_2 eq
Total Scope 1 Emissions

12,654 TCO_2 eq
Total Scope 2 Emissions

2024-25 Overview

6,487 TCO_2 eq
Total Scope 1 Emissions

12,785 TCO_2 eq
Total Scope 2 Emissions

Championing Water Stewardship

We view water as a shared and finite resource, essential not only to our operations but also to the health of surrounding ecosystems. Our approach to water management is rooted in conservation, efficiency and sustainability, with the goal of minimising consumption and safeguarding future availability.

To reduce our dependency on freshwater sources, we have implemented a range of strategic initiatives. These include process enhancements that lower water usage, the adoption of water-saving technologies such as low-flow fixtures and high-efficiency equipment, and the integration of closed-loop systems that enable effective recycling and reuse.

We further support this commitment by actively engaging our workforce in water conservation practices. Dedicated training and awareness programmes help embed a culture of accountability and resource consciousness across all levels of our organisation.

In line with our circular resource strategy, treated water from our in-house sewage treatment plants (STPs) is repurposed for multiple non-potable uses. These include solar panel cleaning, toilet flushing, landscape irrigation and cooling tower operations, all undertaken in full compliance with Gujarat Pollution Control Board (GPCB) guidelines.

Additionally, we have developed designated recharge zones on our premises to help replenish groundwater, reinforcing our role in supporting local water ecosystems. Collaboration with community stakeholders, regulators and local partners ensures that our actions are both impactful and inclusive.

2024-25 Highlights

30,780 KL
Water Reused

Rainwater Harvesting

Rainwater harvesting forms a vital part of our sustainable water management efforts. We have developed a reliable system to capture, store and recharge rainwater, helping to reduce our dependence on external sources while supporting groundwater replenishment.

Our infrastructure includes four dedicated rainwater recharge wells, supported by two bore-wells with high flow rates. One bore-well operates at 6,000 litres per hour, and the other at 9,000 litres per hour, enabling efficient rainwater capture during peak rainfall periods.

The impact of these systems is clearly demonstrated during the monsoon season.

At our Changodar facility, approximately 2.9 million litres of rainwater were recharged, accounting for 30% of the site's total water consumption.

At our Moraiya facility, around 2.8 million litres were recharged, representing 15% of total water use.

These initiatives meaningfully lower our dependence on municipal and external water sources and support the replenishment of the local water table. By adopting a responsible and environmentally conscious approach to rainwater management, Harsha Engineers reinforces its dedication to operational sustainability and prudent resource stewardship.

Preserving Biodiversity

Preserving biodiversity is a core part of our sustainability goals. In 2024–25, we continued our annual tree plantation initiative, adding 71 new trees across our premises. These green zones not only enhance the ecological profile of our sites but also offer tranquil, restorative spaces for employees and visitors alike.

Our plantations contribute meaningfully to climate action—by sequestering carbon, improving ambient air quality, and supporting biodiversity through habitat creation. They also strengthen local ecosystems, fostering climate resilience and long-term environmental balance.

2024-25 Highlights

71
Trees Planted

We actively involve nearby communities in these initiatives through outreach programmes and participatory activities that promote environmental awareness and shared stewardship.

Complementing these efforts, we made significant strides in broader environmental performance. Recycled waste rose from 11.88 MT in 2023–24 to 115.83 MT in 2024–25, reflecting enhanced resource efficiency. Moreover, Scope 3 greenhouse gas emissions were nearly halved—from 9,377 TCO_2 eq., to 4,748 TCO_2 eq.,—demonstrating our continued commitment to reducing our indirect environmental impact. Through these integrated actions, we aim to embed sustainability into every facet of operations at Harsha Engineers.

Closing the Loop on Waste

Responsible waste management is a key element of our sustainability strategy. We actively pursue measures to reduce waste generation at the source while promoting reuse and recycling to support a circular economy.

2024-25 Highlights

115.83 MT
Total Waste Recycled

10.72 MT
Plastic Generated Fully Recycled

1.07 MT
E-Waste Recycled

Human Capital

WHERE PEOPLE SHAPE PRECISION.

Our workforce forms the backbone of our commitment to precision, innovation, and performance. We believe that highly skilled individuals, when supported by enabling systems and an empowering culture, can deliver transformative outcomes. From shop floor technicians to design engineers, each member contributes meaningfully to our journey of operational excellence. Through structured capability-building initiatives, cross-functional collaboration, and a sustained emphasis on holistic employee well-being, we cultivate talent that not only addresses current industry challenges but also propels the evolution of next-generation precision engineering.

2024-25 Highlights

1,664
Permanent Employees

1,596
Contractual Employees

265
Qualified Engineers

Human Rights

At Harsha Engineers, respect for human rights and adherence to ethical labour standards are foundational to our organisational culture. We are committed to fostering a workplace culture that values fairness, inclusion, and respect for all individuals, both within the Company and across our extended supply network.

We maintain a strict prohibition on child labour and any form of forced or involuntary work, reinforcing our stance through robust governance mechanisms and consistent policy enforcement. Our practices are aligned with internationally recognised labour conventions and human rights frameworks, shaping a holistic approach to workforce wellbeing.

We proactively engage with suppliers, partners, and employees through structured onboarding protocols, comprehensive monitoring tools, and continuous training programmes. These measures help identify and mitigate risks, promote safe and equitable working environments, and embed ethical accountability across our value chain.

Training and Development

Developing our people remains one of our most strategic imperatives at Harsha Engineers. We actively invest in upskilling, knowledge enhancement, and capability-building to ensure our workforce remains agile and future-ready. Our approach to human resource development is centred on drawing in high-calibre talent and enabling their sustained growth through structured learning pathways, cross-functional exposure, and targeted leadership development initiatives.

Immersive, role-specific learning forms the cornerstone of our skill-building approach, enabling employees to gain practical exposure while broadening their capabilities. This is complemented by rigorous, classroom-based instruction that sharpens both technical depth and functional know-how. We also extend learning beyond our premises by encouraging participation in external courses and development programmes, empowering individuals to stay abreast of new technologies, evolving tools, and global best practices.

2024-25 Highlights

7
Training Modules

30,885
Training Hours

265
Health and Safety Training Programmes

₹27 lakhs
Spent on Training

Skill Upgradation Training

99.14% Employees

94.74% Workers

Employees Receiving Performance and Career Development Reviews

89.31% Employees

96.19% Workers

Our Approach

Core Human Rights Awareness

Our security teams undergo extensive training in core human rights principles, with a strong emphasis on equality, dignity, freedom of expression, and the right to peaceful conduct. These sessions are designed to ensure that all personnel operate with respect, integrity, and accountability in every interaction.

Conflict Resolution and De-escalation

We prepare our personnel with proven strategies to defuse tense situations and reduce the likelihood of force. Training encompasses communication techniques, empathetic listening, and problem-solving approaches that promote calm and cooperative outcomes.

Graduated Response Protocols

Through structured training, security staff are educated on proportional response measures. They are guided to apply the least amount of necessary force tailored to each scenario, aligning with responsible and lawful intervention standards.

Respectful Engagement with Diverse Groups

To promote inclusive practices, we provide training on cultural awareness. These sessions help personnel interact appropriately with individuals from varied backgrounds, ensuring dignity and mutual respect are upheld at all times.

Our multi-skilling initiative, designed to build flexibility and resilience within our workforce. Team members are trained to perform across multiple functions. For example, machine operators gain hands-on experience with a range of equipment, and individuals are prepared for future leadership roles within the Company.

Our leadership development programmes are carefully designed to cultivate internal talent pipelines, equipping future leaders with practical tools, strategic thinking and problem-solving skills. We have created a comprehensive learning framework that blends instructor-led sessions, interactive digital platforms, and focussed developmental experiences to foster ongoing capability enhancement.

Performance reviews incorporate skills evaluations to measure progress and highlight areas for improvement. These insights guide the direction of future training efforts and ensure alignment with HEIL's sustainability goals. Routine capability audits, combined with structured employee feedback, help us fine-tune our development efforts, preserving both relevance and effectiveness across the Company.

Fostering Employee Well-being

Supporting employee well-being is a cornerstone of our people strategy. Through inclusive celebrations and thoughtfully curated programmes, we aim to build a community where everyone feels valued. Our annual Ethnic Day brings together employees through traditional attire and cultural showcases, while our Long Service Awards honour loyalty and reinforce a strong sense of belonging.

We provide holistic wellness support through our Colleague Wellness Programme, offering mental health resources and stress management tools. Our dedicated Women's Wellness sessions further enhance this by addressing the unique needs of women in the workplace. We also promote work-life balance through flexible work options and ample paid leave.

We believe that strong bonds within teams enhance collaboration and performance. Our calendar includes national celebrations and cultural festivities such as Garba nights, along with recreational activities like Box Cricket, Yoga Day and group outings, all of which help nurture camaraderie. Our Reward and Recognition framework plays a vital role in celebrating efforts and achievements across the Company.

We continue to embed well-being into the fabric of our organisational culture through a range of thoughtful initiatives. These include blood donation drives, guided meditation sessions, and celebratory events for milestones such as the achievements of our solar division, Harsha Abakus. Our SheShine Wellness Workshop provides support for employees and their families, emphasising our belief in collective wellness. By fostering a culture of empathy, inclusion, and emotional connection, we create an environment where individuals feel supported, collaboration flourishes, and personal and professional resilience is strengthened.

Diversity and Inclusion

At HEIL, we recognise that diversity in background, perspective and experience makes our teams stronger and our outcomes better. Our focus on building an inclusive workplace is reflected in both our policies and everyday practices.

We actively promote an environment where everyone feels valued, respected and able to contribute their best. Our efforts include improving gender balance, ensuring fair and equal pay, and creating a culture that embraces difference. We implement structured policies to support diversity and monitor our progress through regular assessments and employee feedback.

Accessibility is also central to our approach. In line with the Rights of Persons with Disabilities Act, 2016, we provide an inclusive workplace by adapting our infrastructure and practices to be welcoming for individuals of all abilities. An inclusive mindset is central to how we grow and innovate as a Company. It enables us to access a broader talent pool and foster diversity of thought, experience, and perspective.

Our Code of Conduct upholds the principles of non-discrimination and equal opportunity, ensuring fairness in hiring, progression and reward. This commitment strengthens organisational trust, deepens collaboration, and unlocks innovation at every level.

2024-25 Highlights

Male

Board of Directors
8

Total Employees
3,153[1]

Key Managerial Personnel
6

Female

Board of Directors
2

Total Employees
107[1]

Key Managerial Personnel
1

Differently Abled Employees and Workers

Employees
1

Workers
11

1.Including contractual employees

Employee Health and Safety

We place employee health and safety at the heart of our operations. Our Occupational Health and Safety Management System (OHSMS) is designed to ensure safe working environments across all locations, supported by structured safety practices, regular monitoring, and a commitment to continual improvement.

A dedicated Environment, Health and Safety (EHS) Committee oversees our health and safety efforts, while detailed training programmes, clear incident reporting mechanisms, and well-defined emergency response plans form the backbone of our system. We aim to eliminate workplace accidents and minimise environmental risks, while fully complying with legal obligations and aspiring to the highest standards.

Training remains central to our safety culture. We believe that prevention starts with knowledge, and in 2024–25, 34.14% of employees and 59.50% of workers participated in safety-related training. These sessions are designed to help our workforce identify potential hazards and respond effectively, fostering a safer and more responsible workplace.

To reduce the likelihood of injuries and illnesses, we conduct systematic safety audits, implement proactive risk mitigation protocols, and offer targeted instruction. When incidents occur, they are thoroughly recorded and investigated, with lessons used to strengthen our practices. As a result, we have seen a continued improvement in our Lost Time Injury Frequency Rate (LTIFR).

Our approach extends beyond conventional health and safety. We support employees through on-site medical infrastructure, partnerships with reputed local hospitals, and enrolment in government and employer-supported healthcare programmes. Recognising the growing importance of mental well-being, we facilitate regular stress-management initiatives, guided mindfulness practices, and wellness resources that help our teams sustain a balanced, healthy lifestyle.

2024-25 Highlights

0.00
Work-Related ILL Health Recorded

0.00
Work-Related Injury Recorded

34.14%
Workforce Trained in Health and Safety

Social & Relationship Capital

COLLABORATIONS THAT DRIVE PROGRESS.

We believe that meaningful collaboration is the foundation of sustainable growth. Our relationships with stakeholders, from customers and suppliers to communities and regulators are guided by mutual respect, transparency and shared goals. By nurturing these connections, we generate enduring value that transcends financial outcomes. Through continuous engagement, principled conduct, and purpose-led community partnerships, we continually strengthen our social fabric, ensuring that our growth is inclusive, responsible, and resilient to future challenges.

Communities

We view social responsibility as an integral part of how we operate. Guided by a clearly defined CSR framework, we aim to create enduring value by uplifting communities and championing inclusive development. Our approach goes beyond traditional philanthropy, embedding compassion, sustainability and equity into every facet of our outreach.

2024-25 Highlights

169
CSR Beneficiaries

₹171 lakhs^
CSR Expenditure

^ Excludes ₹135 lakhs transferred to Unspent CSR Account towards an ongoing project

Core Beliefs that Drive Our Actions

Environmentally Aware Construction

We embrace sustainable building practices that reduce environmental impact. Efforts such as tree plantation drives and eco-friendly construction techniques reflect our dedication to safeguarding natural resources for future generations.

Empowering Local Ecosystems

By engaging local talent and sourcing materials from nearby suppliers, we strengthen regional economies and generate meaningful employment. Our commitment to community-led growth ensures that the benefits of development are shared.

Inclusive Community Collaboration

We maintain continuous and transparent communication with local stakeholders. From project planning to completion, we listen, adapt and respond to community needs to ensure our initiatives align with their expectations and minimise disruption.

Reaching those in Need

We stand alongside underserved and vulnerable groups through strategic partnerships that deliver real change. Our collaboration with Aastha Charitable Trust supports Anand Dham, a residential care facility offering essential support to individuals facing mental health challenges, age-related difficulties and those without family support.

We also work with the Dr. Jeet Mehta Balshala Trust to enhance access to education and rehabilitation for children with cognitive and physical challenges. Our contributions range from upgrading physiotherapy infrastructure to supplying vital equipment, helping these children thrive in supportive learning environments.

Our commitment to community welfare extends across healthcare, education and livelihood initiatives. From supporting local schools and hospitals to building infrastructure that connects communities and supports economic activity, we strive to leave a lasting, positive footprint.

Customers

Customer safety is a non-negotiable priority integrated into every facet of our operations. From product design to delivery and after-sales service, we embed rigorous safety protocols across the full lifecycle of our solutions.

Comprehensive risk evaluations are undertaken to anticipate hazards arising from regular use, misuse, or end-of-life handling. This helps us minimise harm and uphold the highest standards of safety. While we strive to prevent all incidents, a well-defined incident response framework ensures all events are logged, analysed, and translated into design, manufacturing, or communication improvements.

We ensure our customers are equipped with the right information. All products carry clear and compliant safety labels, along with comprehensive technical manuals. Our customer support team is always available to respond to concerns or provide clarification where needed. We adhere strictly to marketing and safety communication norms, ensuring that promotional content accurately reflects product capabilities and does not obscure potential risks.

Customer feedback plays an essential role in shaping our products. We engage regularly with users through surveys, feedback channels, and dedicated support teams, enabling prompt responses and meaningful product evolution. By prioritising risk mitigation, transparent communication, and ongoing refinement, we build trust and deliver reliably safe engineering solutions. This safety-first ethos is central to the confidence our customers place in HEIL.

Governance

DRIVING VALUE THROUGH GOVERNANCE.

Robust corporate governance forms the backbone of our commitment to sustainable value creation. Our governance framework is built on a foundation of ethical leadership, transparency, and accountability, ensuring that decisions are strategic, responsible, and aligned with our long-term vision. With clear policies, diligent oversight and a strong commitment to compliance, we foster organisational integrity and stakeholder confidence. By aligning our governance practices with changing regulatory landscapes and stakeholder priorities, we enhance our capacity to deliver reliable, resilient, and transparent performance.

Policies	UN SDG Alignment
Policy on Child Labour and Prevention of Forced Labour at the Workplace	8 Decent Work and Economic Growth
Policy on Contract Labour Management	
Anti-Bribery Policy	10 Reduced Inequalities
Whistle Blower Policy	
Code of Conduct	12 Responsible Consumption and Production
Information Security & Privacy	

Management Approach

At HEIL, we consider ESG-led governance as a foundational pillar of our operational philosophy. Our governance framework integrates environmental stewardship, social responsibility, and ethical conduct into every aspect of decision-making. Through well-defined policies and structured oversight, we seek to ensure responsible growth, regulatory alignment, and stakeholder confidence across all business verticals.

Risk Management

Our risk management framework is designed to proactively identify, assess, and mitigate potential threats to business continuity and sustainable growth. It functions as a disciplined, enterprise-wide system that enables informed decision-making while fostering transparency and accountability.

The framework is overseen by a dedicated Risk Management Committee that regularly monitors business risks, including those arising from ESG factors, operational dependencies, and market dynamics.

To ensure preparedness, HEIL has implemented a comprehensive contingency response plan covering a broad spectrum of potential disruptions, from fire hazards and natural calamities to operational and supply chain vulnerabilities. This forward-looking approach reflects our commitment to organisational resilience, stakeholder protection, and long-term value preservation.

Responsible Business Practices

In 2024-25, HEIL reinforced its position as a values-driven organisation by embedding ethical conduct deeper into its business processes and decision-making frameworks. The Company continued to uphold the highest standards of governance, with clear emphasis on transparency, accountability, and integrity across all stakeholder engagements.

No instances of corruption or conflict of interest were reported during the year, reaffirming the effectiveness of our internal controls and the shared cultural commitment to ethical business practices. Our leadership team, governed by a clearly defined Code of Conduct, is held to rigorous standards of ethical behaviour and compliance. This governance structure ensures that decisions are informed, responsible, and aligned with our core values at every level.

As part of our commitment to dynamic governance, performance assessments of the Board, its Committees, and Independent Directors were conducted in line with statutory guidelines and best practices. These evaluations play a key role in ensuring an agile, transparent, and accountable leadership that remains aligned with long-term shareholder value.

Additionally, our policies for fair disclosure of price-sensitive information continued to ensure confidentiality and regulatory compliance. Disclosures are made in a timely and structured manner, with information shared strictly on a need-to-know basis to safeguard the integrity of market communication. HEIL's approach to responsible business goes beyond policy; it is deeply embedded in our organisational culture and reflected in the trust we strive to earn and uphold across every stakeholder relationship.

ISO 9001:2015 Certified

IATF 16949:2016 Certified

Upholding Workforce Rights and Ethical Standards

At HEIL, protecting the rights and dignity of every individual within our ecosystem is intrinsic to how we operate. Through a suite of well-defined policies, we ensure that our workplaces remain fair, safe, inclusive, and governed by integrity.

Code of Conduct

Our Code of Conduct serves as the ethical compass for all employees, outlining clear expectations on professional behaviour, compliance, and integrity. It goes beyond business ethics, reinforcing the importance of environmental responsibility, safe practices, and a respectful work culture across all HEIL facilities.

Prohibition of Child and Forced Labour

HEIL maintains a zero-tolerance approach toward child labour and any form of forced or involuntary employment. This policy is rigorously enforced across all our operations and extended supply chain, in line with global human rights conventions and Indian labour regulations.

Contract Labour Management Policy

We are committed to ensuring fair treatment of all contract workers. Our contract labour policy provides for equitable wages, access to welfare benefits, and a safe working environment. It also ensures strict compliance with legal obligations related to contract workforce engagement.

Anti-Bribery Policy

At HEIL, our Anti-Bribery Policy underscores our stand against any form of corrupt practices. We maintain strong internal controls, conduct partner due diligence, offer periodic training, and have set clear guidelines on gifts and hospitality. A secure reporting process enables employees to flag any violations without hesitation.

Whistleblower Protection Framework

To promote a culture of openness and accountability, we have instituted a robust Whistleblower Policy. This mechanism empowers employees and external stakeholders to raise genuine concerns about misconduct, harassment, financial anomalies, or breaches of Company policy, confidentially and without fear of retaliation. All reports are investigated independently, and appropriate corrective measures are taken with transparency and fairness. These policies are not just compliance tools; they embody HEIL's broader commitment to ethical governance, mutual respect, and a workplace that is both principled and future-focussed.

Certified Systems that Strengthen Trust and Performance

At HEIL, our operations are built on internationally recognised systems that uphold quality, safety, and environmental responsibility. Each certification reflects our commitment to operational excellence and continual improvement across our value chain.

ISO 9001:2015 – Quality Management System

Our ISO 9001:2015 certification affirms the strength of our Quality Management System and our commitment to delivering consistent, high-quality products and services. This standard enables us to maintain rigorous quality control, drive customer satisfaction, and ensure process efficiency while continually raising performance benchmarks.

ISO 14001:2018 – Environmental Management System

As an ISO 14001:2018 certified Company, we adopt a structured approach to reducing our environmental footprint. This certification reflects our conscious efforts to align operations with sustainable practices, ensuring compliance with environmental regulations and promoting long-term ecological stewardship.

IATF 16949:2016 – Automotive Quality Management

Recognised globally within the automotive industry, our IATF 16949:2016 certification reinforces our capability to meet the demanding standards of automotive manufacturing. It highlights our focus on process standardisation, waste minimisation, defect prevention, and continuous improvement across the automotive supply chain.

ISO 45001:2018 – Occupational Health & Safety Management

We are also certified under ISO 45001:2018, a globally accepted framework for occupational health and safety. This certification reflects our proactive approach to hazard identification, risk mitigation, and building a safe, secure, and health-conscious workplace for all employees and stakeholders.

Board of Directors

MEET THE BOARD

Mr. Rajendra Shah
Chairman &
Whole-time Director

Mr. Rajendra Shah holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He was honoured with the AMA Atlas Dycechem 'Outstanding Entrepreneur of the Year Award – 2001' by the Ahmedabad Management Association. At present, he oversees the overall management of the Company, with a particular focus on financial matters. He is actively involved in social causes and currently serves as the President of the Blind People's Association, Ahmedabad. He was also the Chairman of CII Gujarat during 2019–20. He has over 52 years of experience in the precision engineering industry, specifically in bearing cages and stamped components.

Mr. Harish Rangwala
Managing Director

Mr. Harish Rangwala holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He began his career at Tata Chemicals and later joined the Company. He currently oversees the overall management of the Company, including the Renewable Energy Division. He brings over 52 years of experience in the precision engineering industry, particularly in bearing cages and stamped components.

Mr. Vishal Rangwala
CEO &
Whole-time Director

Mr. Vishal Rangwala holds a bachelor's degree in Mechanical Engineering from the University of Pune and a Master of Science degree in Engineering Management from the University of Southern California. He started his career in 2005 as a Senior Staff Analyst at United Services, a division of United Airlines, and joined the Company in 2007 as Manager – Marketing. He is responsible for defining the overall strategic direction of the Harsha Group and currently leads the marketing and corporate functions. He has over 18 years of experience in the precision engineering industry, particularly in bearing cages and stamped components.

Mr. Pilak Shah
COO &
Whole-time Director

Mr. Pilak Shah holds a bachelor's degree in Mechanical Engineering from Nirma Institute of Technology and a master's degree in Integrated Manufacturing Systems Engineering from North Carolina State University. He joined the Company in 2006 as Manager – Resource Management and was appointed to the Board on February 5, 2006. He is responsible for defining the overall strategic direction of the Harsha Group. He has over 19 years of experience in the precision engineering industry, particularly in bearing cages and stamped components.

Ms. Hetal Naik
Whole-time Director

Ms. Hetal Naik holds a bachelor's degree in Mechanical Engineering from L.D. Engineering College and a Master of Technology in Mechanical Engineering with a specialisation in Design Engineering from Nirma University. Associated with the Company since 2015, she has deep technical expertise in design software, DFMEA, automotive engineering, lean manufacturing, GD&T, sheet metal, and Total Productive Maintenance (TPM). She is responsible for employee health and safety and plays a key role in managing the TPM function.

Mr. Ambar Patel
Independent Director

Mr. Ambar Patel holds a bachelor's degree in Mechanical Engineering from Gujarat University and has served as the Managing Director of Shilp Gravures Limited since 1993. He is also a Director on the Board of The Kalupur Commercial Co-operative Bank Ltd., where he chairs the MSME Committee. Additionally, he is an Executive Committee Member of the Gujarat Chamber of Commerce & Industry, serving as Chairman of the Labour and Industrial Safety Committee. He is President of the Santej Industrial Area Association and an Advisory Committee Member of the Health & Care Foundation and Astha Charitable Trust.

Dr. Bhushan Punani
Independent Director

Dr. Bhushan Punani holds degrees in Science (Dairy Husbandry), Law, Management, and Commerce, including a postgraduate degree from IIM Ahmedabad and a PhD from Gujarat University. He also completed specialised training in vocational rehabilitation from the University of Haifa. He serves as the General Secretary of the Blind People's Association and ICEVI India. He was honoured with the Distinguished Alumnus Award by IIM Ahmedabad in 2011 and has served on several national advisory boards related to disability and accessibility.

Mr. Ramakrishnan Kasinathan
Independent Director

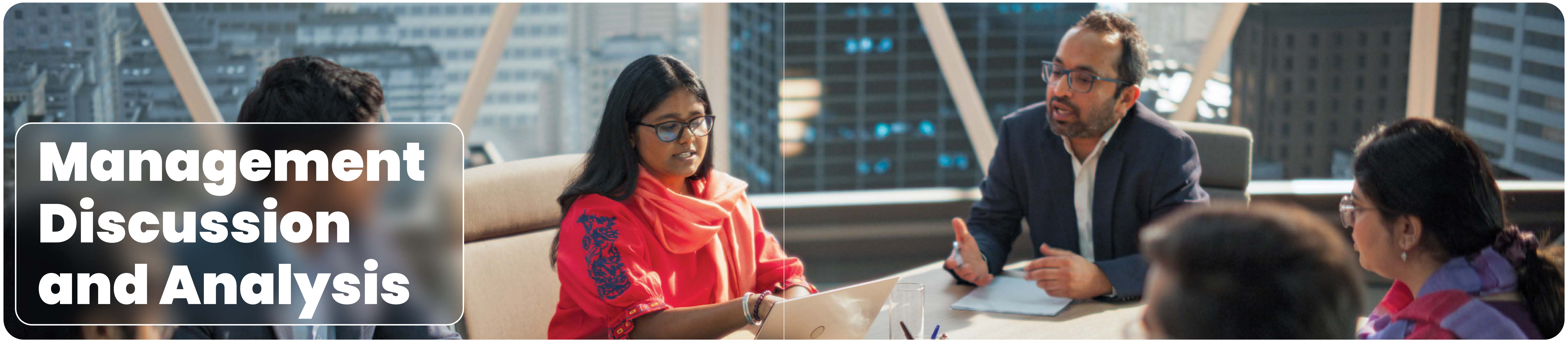
Mr. Ramakrishnan Kasinathan holds degrees in Civil Engineering, Business Administration, and Management, with qualifications from the University of Madras, Anna University, and the Asian Institute of Management, Philippines. He has held key roles at ACT India, Johnson & Johnson, Best & Crompton Engineering, SKF India, Hindustan Zinc, and Nexdigm. He is currently an independent consultant, specialising in supply chain and sourcing.

Mr. Kunal Shah
Independent Director

Mr. Kunal Shah holds a bachelor's degree in Chemical Engineering from Nirma Institute of Technology and a Master of Science in Information Systems from Stevens Institute of Technology, USA. He is Executive Director – Corporate Affairs at AIA Engineering Limited and has previously served as its CFO. He is also the founder of Theoden Ventures LLP and co-founder of Aurus. He brings wide-ranging experience in general management and strategic planning.

Ms. Priyanka Agarwal Chopra
Independent Director

Ms. Priyanka Agarwal Chopra is the CEO and Managing Partner at IIMA Ventures and a Venture Partner at Bharat Innovation Fund. With over 12 years of experience in investing and advising early-stage companies, she has led pioneering startup programmes across India. She previously worked at Sun Microsystems and IBM and in the social impact space at Piramal Sarvajal. She holds an MBA from the Wharton School and a master's in Electrical Engineering from Georgia Tech.



Management Discussion and Analysis

Global Economy

The International Monetary Fund (IMF) has trimmed its global economic growth forecast, capturing a world balancing endurance with emerging headwinds. Global GDP growth is now expected to slow to 2.8% in 2025, down from an estimated 3.3% in 2024. A mild recovery may follow in 2026, with growth projected at 3.0%. Though these figures trail the 2000–2019 average of 3.7%, they signal a measure of steadiness despite persistent volatility.

Several structural and policy-driven trends are shaping the contours of the global economy. One of the most consequential developments is the introduction of sweeping tariffs by the US. These include a 10% tariff on nearly all imports and punitive duties of at least 145% on Chinese goods. Additional reciprocal tariffs on major trading partners such as the EU, Japan, South Korea, and Taiwan have been announced. But their implementation remains on hold pending further trade negotiations.

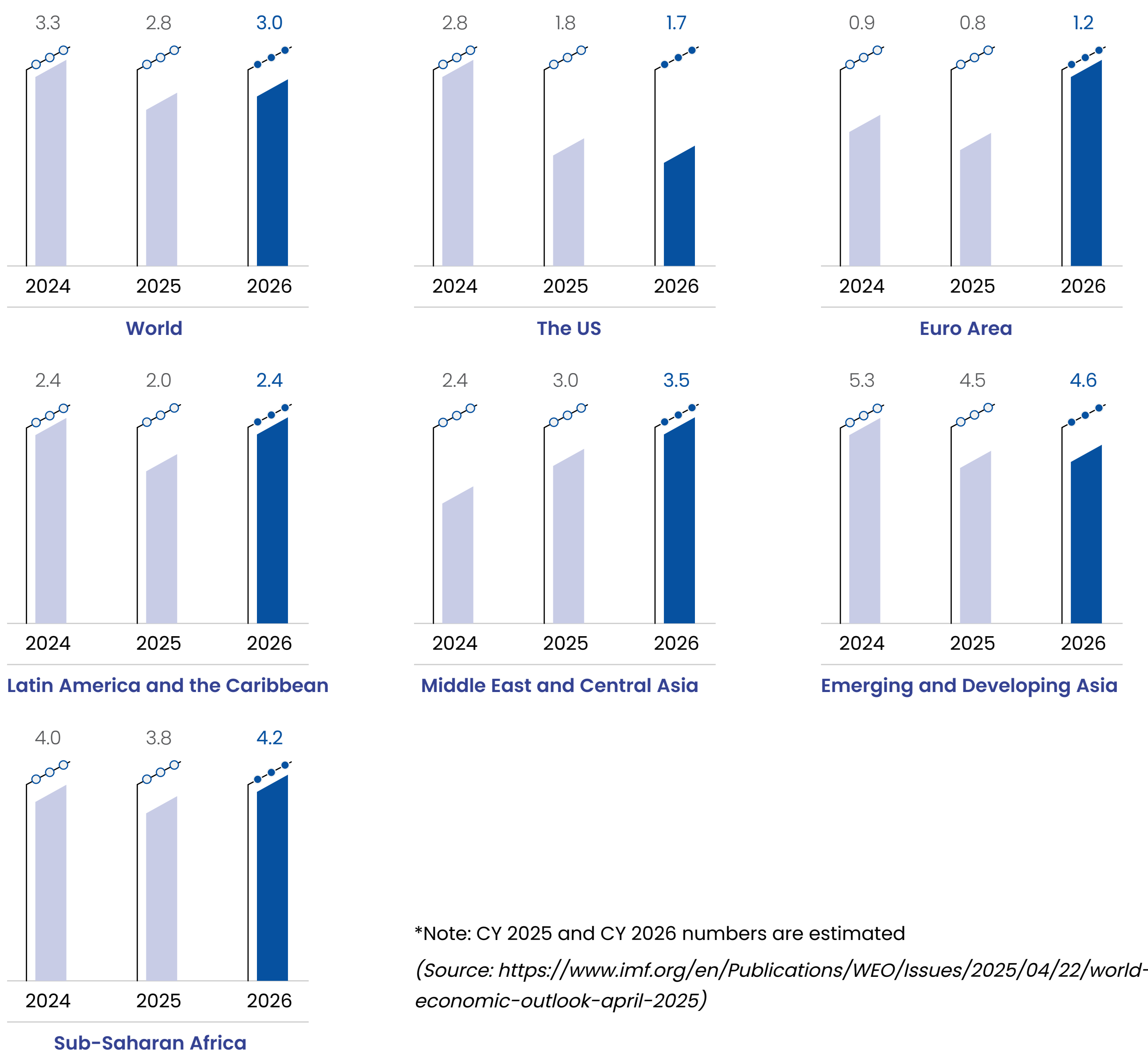
At the same time, heightened policy uncertainty and ongoing geopolitical tensions are exerting their influence on the global economic environment. These aspects continue to weigh on business sentiment and long-term investment planning. However, steady consumer spending and accelerating growth in some emerging markets offer a modest counterweight to this cautious sentiment.

Against this backdrop, there is one positive sign, the projected decline in global inflation. Headline inflation is expected to decline at a pace reaching 4.2% in 2025 and 3.6% in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging markets and developing economies (EMDEs) in 2025.

Looking ahead, the impact of tariffs on global growth will largely hinge on how trade talks unfold. If current tariff regimes stay, they could continue dampening export-oriented sectors and increase costs for both consumers and producers. Conversely, successful trade negotiations could ease tensions and partially reverse the negative effects, reinstating greater confidence and stability in international markets.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025)

Real GDP Growth (%)



*Note: CY 2025 and CY 2026 numbers are estimated

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

Indian Economy

While many leading global economies face slowing growth, India has maintained steady progress. Solid macroeconomic fundamentals, pro-business government reforms and a focus on fostering an investment-friendly environment drive this momentum. Such efforts have strengthened India's position as an attractive destination for global investment.

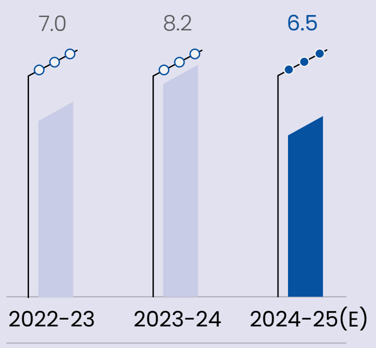
India's economy continues to expand, projecting real GDP growth at 6.5% for 2024-25, keeping its position as the world's fastest-growing major economy. This growth is driven by strong private and government expenditure, along with a positive contribution from net exports, even as economic uncertainties persist.

(Source: https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT19032025F9CCA0AB1F7294130A950E2FD5448B5FC.PDF)

Inflation dynamics have also seen shifts in recent months. Core inflation remained subdued across goods and services. The fuel segment, meanwhile, continued to experience deflation. This decline was driven by a combination of lower global crude oil prices, government-led tax reductions on petroleum products, and increased renewable energy adoption, which reduced demand for conventional fuels.

Complementing this positive macroeconomic backdrop, the Union Budget 2025-26 focusses on sustaining economic growth through strategic initiatives. Key areas include promoting agricultural development, supporting the manufacturing sector under the 'Make in India' initiative, and rolling out skill development programmes to generate employment.

Indian Economy Real GDP Growth Rate (%)



E: Estimated

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2132688)

Outlook

India continues to progress along a strong economic path, propelled by domestic demand and infrastructure growth. Industrial revival, a stable agricultural base, and a growing manufacturing ecosystem support this momentum. Export-led services further strengthen the country's position in global value chains. Rapid urbanisation, a young workforce, and rising incomes provide additional thrust. Furthermore, automation, green tech, fiscal discipline, and investments continue to reinforce the nation's economic strength.

US tariffs present hurdles, but India stands ready to capitalise on global shifts. The country's strategic alliances and a more favourable tariff structure than competitors like China set the stage for stronger foreign inflows. These factors will also boost domestic manufacturing.

Moreover, ongoing structural reforms and modernisation are shaping a path to long-term high growth. Alongside this, a sharper focus on ease of business and strategic policymaking keeps India aligned with global challenges and on track for global economic leadership.

(Source: https://www.thebusinessresearchcompany.com/report/bearings-global-market-report)

Industry Overview

Global Bearings Market

Bearings are critical mechanical components used to reduce friction and support motion between rotating parts in machinery. They are integral to a wide range of applications across automotive, railways, aerospace, industrial equipment, renewable energy, and healthcare sectors.

The global bearing market, valued at over USD 120.51 billion in 2024, is projected to expand at a compound annual growth rate (CAGR) of 6.90%. By 2030, the market is anticipated to exceed USD 179 billion, driven by growing industrial activity and technological advancements.

The Asia-Pacific region accounted for the largest share of the market in 2024, powered by robust manufacturing and infrastructure development in China and India. Western Europe is expected to be the fastest-growing region during the forecast period, driven by advancements in engineering, sustainability initiatives, and clean energy investments.

The industry is undergoing significant transformation, with increasing adoption of bearings in renewable energy systems, medical equipment, and automation technologies. Innovation in materials, precision design, and additive manufacturing further add to the momentum. All these factors, along with the rising emphasis on high-performance and eco-friendly solutions is expected to shape the market's evolution in the coming years.

(Source: https://www.bonafideresearch.com/product/220669841/global-bearing-market)

Regional Share of the Global Bearings Market

(Source: https://www.precedenceresearch.com/bearing-market)

Indian Bearings Market

The bearings market size in India is forecast to increase by USD 853.9 million, at a CAGR of 3.2% between 2024 and 2029. The market is witnessing significant developments, driven by the increasing focus on automation across various industries.

(Source: https://www.technavio.com/report/india-bearings-market-analysis)

While the overall market growth is moderate, it remains consistent, offering a stable outlook for industry participants. In this scenario, companies will need to focus on gaining market share and improving operational efficiency to seize available opportunities. With growing demand across key sectors and a solid domestic economy, the bearings market remains a promising avenue for long-term growth.

The automotive segment remains the largest contributor to the Indian bearings market, holding a 31.2% share in 2024. This segment is expected to maintain its leadership with a share of 31.5% in 2029. Growth in passenger and commercial vehicle production, supported by rising disposable incomes and improving living standards, remains a key demand driver. Additionally, the automotive sector is projected to experience the highest growth during the forecast period.

Other sectors, including general industrial applications, are also contributing to market expansion. Ball bearings hold a prominent share of the Indian market, owing to their widespread usage and technological improvements that have enhanced performance and durability. As industries continue to modernise and demand reliable motion solutions, the Indian bearings market is well-positioned for sustained growth.

(Source: https://www.technavio.com/report/india-bearings-market analysis#:~:text=Size%202025%2D2029-,The%20india%20bearings%20market%20size%20is%20forecast%20to%20increase%20by,reliable%20and%20efficient%20bearing%20solutions)

Global Stamping Market

The global metal stamping market is poised for steady growth, fuelled by rising demand in automotive, aerospace, electronics, construction, and consumer goods. In 2024, the market was estimated to be valued at USD 245.4 billion and is projected to clock in a CAGR of 3.7% through 2031.

The increasing focus on lightweight and high-strength components, particularly in the automotive and aerospace sectors, is a major growth driver. These industries are prioritising fuel efficiency, emission and India play a pivotal role due to their strong production capabilities and growing domestic demand.

In addition, increased construction activity, particularly in emerging economies, is boosting the use of stamped metal sheets in roofing and interior structures. As metal stamping finds wider use across industrial and commercial construction, the region is expected to sustain strong momentum throughout the forecast period from 2024 to 2031.

(Source: https://www.cognitivemarketresearch.com/metal-stamping-market-report)

Indian Stamping Market

The Indian metal stamping market is projected to reach USD 6.74 billion by 2030, registering a CAGR of 5.7% from 2024 to 2030. This growth is supported by rising demand across diverse sectors such as automotive, telecommunications, electronics, industrial machinery, and energy. In parallel, widespread applications of metal stamping processes such as blanking, embossing, flanging, and bending in precision manufacturing continue to drive market expansion across end-use industries.

In 2023, the automotive and transportation sector led India's metal stamping market, fuelled by higher vehicle output and a growing shift to electric mobility. Lightweight stamped components, especially those under 2.5 mm in thickness, are gaining prominence in both automotive and aerospace applications.

In high-speed, high-volume manufacturing settings, mechanical presses continue to be the preferred choice, given their efficiency. As advanced technologies gain ground and demand rises across industries, India's metal stamping market stands poised for sustained, wide-ranging growth in the years ahead.

(Source: https://www.globenewswire.com/news-release/2024/07/24/2918133/28124/en/India-Metal-Stamping-Industry-Analysis-Report-2024-2030-Expanding-3G-and-4G-Coverage-Diverse-Applications-Across-Multiple-Industries-Foster-Expansion.html)

Global Solar Industry

The global solar electricity market has seen strong momentum in recent years. Estimated at USD 103.58 billion in 2024, it is set to reach USD 123.37 billion by 2025, reflecting a solid 19.1% CAGR. This growth has been supported by increasing global focus on clean energy transition, favourable policy support, and investments in research and development (R&D) and solar panel technologies.

Governments across key markets are stepping up with incentives and regulations to promote solar adoption. In 2023, global investments in energy transition technologies reached a record USD 1.3 trillion, highlighting the growing commitment to renewables.

Solar electricity is rapidly emerging as a reliable, cost-effective, and sustainable solution to meet growing energy demands while prioritising environmental sustainability. The market is on track to reach USD 219.29 billion by 2029, recording a CAGR of 15.5%. This growth is being driven by the increasing integration of solar energy with storage solutions, alongside the widespread adoption of digital technologies and artificial intelligence (AI).

AI and machine learning are playing pivotal roles in enhancing system efficiency and scalability. Their application in microgrid controllers and system optimisation are transforming how solar power is managed and deployed. Additionally, the global share of renewables in the power generation mix is expected to rise from 29% to 35% by 2025, reflecting continued expansion in solar installations. With supportive policy environments, technological innovation, and strong environmental imperatives, the global solar electricity market remains well-positioned for sustained growth in the coming years.

(Source: https://www.researchandmarkets.com/reports/5939099/solar-electricity-market-report)

Indian Solar Industry

The Indian solar energy market continues to witness significant growth, with revenues estimated at USD 10.4 billion in 2023. Projections indicate this will rise to USD 24.9 billion by 2030, reflecting a CAGR of 13.4% from 2024 to 2030.

The expansion is driven by proactive government policies, a structured regulatory framework, and various financial and implementation incentives under initiatives such as the National Solar Mission (NSM). The CPSU Scheme, Solar Park Scheme, Grid Connected Rooftop Scheme, and Canal Top Solar Projects have also played a key role in accelerating capacity addition and promoting solar energy adoption across sectors.

The Ministry of New and Renewable Energy (MNRE) has set clear targets for increasing the share of renewables in the national energy mix. This measure further makes the policy environment supportive of solar development.

India has a significant geographic advantage, receiving 4-7 kWh of solar radiation per square metre per day across most regions. This abundant resource, coupled with rising energy demands and decreasing solar technology costs, continues to strengthen the sector's fundamentals. Additionally, cross-border collaborations and foreign direct investments are contributing to faster deployment, technology upgrades, and ecosystem development.

As solar adoption expands across residential, commercial, and industrial sectors, the industry is expected to play a pivotal role in enhancing India's energy security. Furthermore, it will be vital in meeting the country's long-term sustainability objectives.

(Source: https://www.psmarketresearch.com/market-analysis/india-solar-energy-market#)

The government has undertaken several initiatives to promote solar energy in the country, including:

PM Surya Ghar: Muft Bijli Yojana

Launched in February 2024 with a ₹ 75,021 crores budget, this scheme aims to solarise 10 million households. It offers subsidies of up to ₹ 78,000 per 3kW system and provides 300 free units of electricity per month.

Record Solar Capacity Addition

In 2024–25, India added 21 GW of solar capacity, surpassing a total of 100 GW in installed capacity. Solar module manufacturing also doubled to reach 74 GW.

PLI Scheme Expansion

An allocation of ₹ 24,000 crores has been made to boost domestic solar module manufacturing, attracting ₹ 410 billion in investments and creating over 11,650 jobs.

Rooftop Solar Surge

By March 2025, 1.1 million households had been solarised under the PM Surya Ghar initiative, with ₹ 54.3 billion in subsidies disbursed to promote the adoption of rooftop solar systems.

Domestic Manufacturing Growth

Solar PV cell capacity tripled to 25 GW, and the first 2 GW ingot-wafer plant became operational.

(Source: https://www.energymonitor.ai/news/india-adds-25gw-renewable-energy-capacity-in-zation-2024-25/, https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2089056, https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/feb/doc202521493701.pdf)

Company Overview

Harsha Engineers International Limited (also referred to as 'HEIL' or 'The Company' or 'Harsha Engineers') stands as a leading global provider of precision engineering solutions. It is also India's largest manufacturer of bearing cages. The Company caters to all six of the world's leading bearing manufacturers.

HEIL's product portfolio spans more than 7,500 types of bearing cages, with diameters ranging from 20 mm to 2,000 mm. The Company's extensive customer base is served through six manufacturing facilities, including leased facilities in India, Romania and China and a global distribution network spread across more than 20 warehouse locations and 25+ countries.

In addition to bearing cages, the Company has strategically diversified into precision stamped components and solar EPC solutions. The stamping division produces complex components for applications across automotive, electrical and industrial sectors. We are also expanding into the bushing business, where we have emerged as a standout performer with year-end revenues over ₹100 crores. This growth underscores our ability to anticipate industry trends and respond with precise engineering expertise. Moreover the bushing business focusses on specialised, high precision components for demanding use cases in the wind market.

The Company also operates in the renewable energy segment through its solar EPC arm, offering turnkey solutions for rooftop and ground-mounted solar PV systems. Backed by in-house tooling, automation, and product development capabilities, HEIL continues to expand its role as a trusted precision engineering partner to global OEMs and Tier-1 suppliers.

SCOT Analysis

S — STRENGTHS

- Leading market position in bearing cages
- Diversified operations across precision stampings, bushings, and solar EPC
- Strong relationships with the top six global bearing manufacturers
- Robust in-house capabilities in tooling, automation, and product development
- Expansive global footprint with 6 manufacturing facilities, including leased facilities and exports to 25+ countries
- Extensive range of products with proven capabilities in New Product Development (NPD)

C — CHALLENGES

- Soft demand and persistent losses in European operations, particularly in Romania
- Global geopolitical tensions and macroeconomic uncertainties impacting industrial demand
- Intense margin pressure, volatile input costs and inefficient overseas subsidiaries

O — OPPORTUNITIES

- Soaring demand from electric vehicle (EV), wind energy, and industrial automation segments
- Strong growth in bushing and stamping segments, especially for complex components
- Strategic capacity expansion aligned with the China Plus One strategy and localisation initiatives by global OEMs
- Stable solar EPC pipeline supported by government incentives
- Expansion of the greenfield project at Harsha Engineers Advantek Limited

T — THREATS

- Global slowdown for a prolonged period in Europe and the US could weigh on exports
- Currency fluctuations and trade policy changes can impact competitiveness
- Delay in large customer CAPEX plans may affect volume visibility

Operational Overview

HEIL navigated a year of contrasts in 2024-25, marked by both hurdles and key achievements. While revenue remained stable compared to the previous year, profitability improved due to enhanced operational efficiencies and strategic initiatives. The Company's focus on automation, cost management, and market expansion allowed it to navigate external pressures successfully.

Total bearing cages produced[1]

6,764 lakhs

Total capex incurred during 2024-25

₹ 20,934 lakhs[2]

[1] Its Standalone Quantity

[2] Included CWIP of ₹ 14,620 lakhs at Consolidated

Engineering Business

Major Milestones	Challenges and Mitigation	Strategic Priorities	Industry Trends and the Company's Reaction
HEIL exceeded sales targets in bronze bushings, marking a strong year for the engineering business. It also secured a long-term bearing cage contract, expected to drive significant growth in the years ahead. The greenfield expansion project made good progress, setting the stage for future growth. Additionally, a wider global customer base strengthened the Company's market position.	The business encountered challenges from weaker demand in sectors like industrial and wind. Rising raw material costs and delayed price revisions pressured margins. HEIL responded by optimising its product mix, focussing on high-margin components, and implementing cost-saving measures. The Company also invested in automation and streamlined operations to maintain profitability.	HEIL concentrated on expanding its product offerings, especially for EVs, bushings and specialised components. Key initiatives included strengthening its market leadership positions in bearing cages, expanding its customer base, deepening customer relationships, improving product development collaboration, and enhancing technological capabilities through automation. Moreover, the Company focussed on operational efficiency, driving continuous improvement across its plants.	The trend towards outsourcing precision components continued, with the China Plus One strategy opening opportunities for HEIL, particularly in India. In addition, the demand for customised solutions, especially in EVs and renewable energy, offered growth avenues. HEIL aligned its products with these market needs, positioning itself as a leader in precision components.

Solar EPC Business

Major Milestones	Challenges and Mitigation	Strategic Priorities	Industry Trends and the Company's Reaction
In the Solar EPC segment, HEIL executed several key projects and expanded its O&M portfolio, ensuring a stable revenue base. The Company continued to build on its project management capabilities, completing projects on time while maintaining quality standards.	Supply chain disruptions and shifting government budgets posed challenges to the Solar EPC business. To mitigate these, HEIL diversified its supplier network and streamlined project management processes. Meanwhile, the O&M segment continued to thrive, providing stable income despite external challenges.	HEIL focussed on expanding its presence in private-sector solar projects and enhancing capabilities for larger, more complex projects. The Company also emphasised growth in the O&M segment, securing long-term contracts to generate stable, recurring revenue.	The renewable energy sector continued to grow, with strong demand from the private sector and urban solar infrastructure projects. HEIL capitalised on these trends, using its expertise to meet the evolving needs of the renewable energy market.

Financial Overview

(in ₹ lakhs)

Particulars	Standalone			Consolidated		
	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Revenue from Operations	**108,930**	**108,094**	**102,472**	**140,765**	**139,230**	**136,402**
Profit before Depreciation and Tax	20,345	19,450	19,561	20,390	19,007	20,324
Less: Depreciation	2,867	2,685	2,331	4,054	3,932	3,612
Profit for the Year before Exceptional Items and Taxation	**17,478**	**16,765**	**17,230**	**16,336**	**15,075**	**16,712**
Exceptional Items	9,501	-	-	2,768	-	-
Profit for the Year before Taxation	**7,977**	**16,765**	**17,230**	**13,568**	**15,075**	**16,712**
Less: Current Year Tax	4,079	3,771	3,863	4,120	3,797	3,846
Less: Deferred Tax	362	303	528	517	135	538
Profit after Taxation	**3,536**	**12,691**	**12,839**	**8,931**	**11,143**	**12,328**
Add: Other Comprehensive Income for the Year	(228)	400	(748)	(229)	400	(748)
Total Comprehensive Income for the Year	**3,308**	**13,091**	**12,091**	**8,702**	**11,543**	**11,580**

Revenue from Operations

HEIL recorded a growth of 0.77% in standalone revenue for 2024-25, rising from ₹ 1,08,094 lakhs in the previous year to ₹ 1,08,930 lakhs. The Company also saw a 1.10% increase in its consolidated revenue, moving from ₹ 1,39,230 lakhs in 2023-24 to ₹ 1,40,765 lakhs in 2024-25.

Profit after Tax

In 2024–25, the Company reported a 72.14% decline in standalone profit after tax, which stood at ₹ 3,536 lakhs compared to ₹ 12,691 lakhs in the previous year. Consolidated profit after tax also fell by 19.85%, from ₹ 11,143 lakhs in 2023–24 to ₹ 8,931 lakhs in 2024–25. The decline in both standalone and consolidated profitability was primarily due to the recognition of an impairment loss on the carrying value of the investment in Harsha Engineers Europe SRL, the Company's wholly owned subsidiary, based on an independent fair valuation report. Additionally, the impact of a one-off item related to bad debts written off of ₹ 2,060 lakhs in Solar EPC division further affected the bottom line during the year.

Total Comprehensive Income

Standalone total comprehensive income was ₹ 3,308 lakhs compared to ₹ 13,091 lakhs in 2023-24 this year. The Company's standalone total comprehensive income decreased by 74.73% in 2024-25, compared to the previous year. Also, its consolidated total comprehensive income decreased by 24.61%, reaching ₹ 8,702 lakhs in 2024-25 from ₹ 11,543 lakhs in 2023-24.

Financial Ratios (Consolidated)

Key Financial Ratios	2024-25	2023-24	2022-23
Current Ratio (Times)	3.21	2.91	2.90
Debt-to-Equity Ratio (Times)	0.16	0.15	0.17
Debt Service Coverage Ratio (Times)	10.55	7.69	6.94
Return on Equity Ratio (%)	7.35[1]	9.92	15.47
Inventory Turnover Ratio (Times)	4.07	3.78	3.59
Return on Capital Employed (%)	10.22[1]	12.33	16.85
Net Profit Ratio (%)	6.34	8.00	9.04

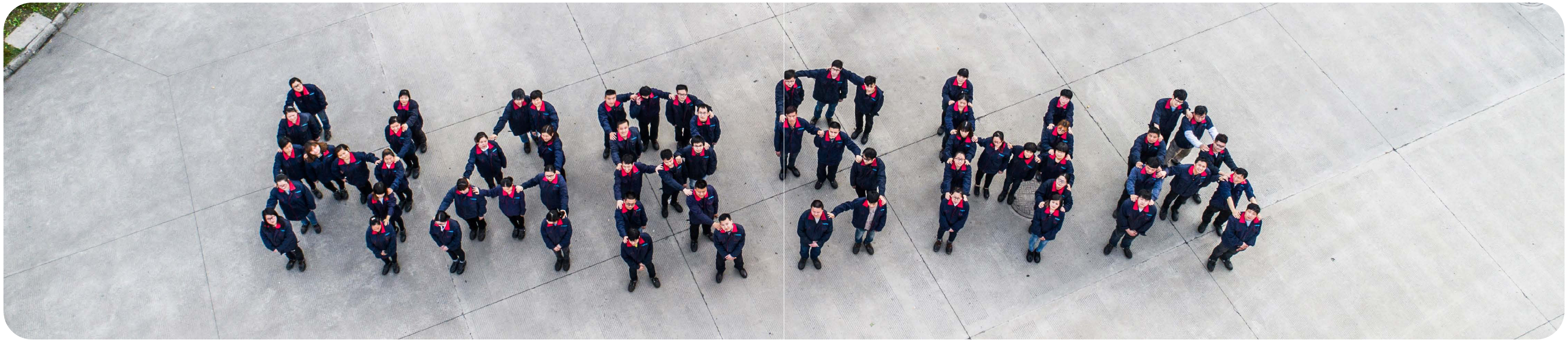
[1]nclusive exceptional items and bad debt

Risk Management

The Company has a comprehensive risk management framework to systematically identify, evaluate, and address key business risks across its operations. Reviewed periodically with input from the Risk Management Committee and the Board of Directors, the framework is aligned with the Company's strategic goals and evolving market dynamics.

The framework covers all major business segments, including bearing cages, precision stampings, bushings, and solar EPC. It is supported by structured processes for documentation, monitoring, and escalation. This enables HEIL to manage risks proactively, while ensuring business continuity and long-term value creation.

Risk	Impact on the Company	Mitigation Strategies
Market Concentration	A significant portion of HEIL's revenue is generated from a few large bearing manufacturers. Any reduction in demand or changes in sourcing strategies by these clients could impact revenues.	• Expanding into adjacent segments like precision stamping, bushings, and solar EPC to diversify revenue mix • Investing in new product development and exploring opportunities in emerging markets to reduce reliance on key clients
Raw Material Price Volatility	Volatile prices of brass, steel, and other metals could impact margins, especially in a cost-sensitive global market.	• Adopting a multi-supplier sourcing model and short-term contracts to stay agile • Using pass-through pricing with customers to offset fluctuations in material costs
Sectoral Transition (EV Shift)	The shift from internal combustion engines to electric vehicles may impact demand for conventional automotive components.	• Using the growing stamping business to supply components for EV applications and benefit from the EV shift • Continuing to invest in product innovation tailored for EV platforms
Foreign Exchange Fluctuations	As a significant exporter, the Company is exposed to currency fluctuations, which could affect profitability.	• Using forward contracts and hedging instruments to manage foreign currency exposure • Ensuring a geographically diversified revenue base to mitigate concentration risk
Execution Challenges in EPC Business	Delays or cost overruns in solar EPC projects may impact margins and strain customer relationships.	• Following a robust project management framework • Coordinating closely with vendors and clients to ensure timely and budget-compliant execution
Supply Chain Disruptions	HEIL may face penalties as stipulated by relevant provisions and regulations owing to the failure to fulfil obligations.	• Ensuring strict adherence to regulatory mandates with a proactive approach to compliance management • Monitoring and assessing regulatory changes, alongside regular compliance monitoring and reporting procedures
Cybersecurity and Data Protection	The Company faces ongoing competitive risks, as increased competition may impact factors such as profit margins and market share.	• Enhancing brand reputation through focus on design, quality, cost-effectiveness, and timely delivery • Expanding market share and delivering superior customer service to stay ahead of competitors
Climate and Environment	Regulatory changes or physical risks related to climate change could impact operations, particularly in manufacturing and EPC businesses.	• Focussing on sustainable practices, energy efficiency, and complying with environmental regulations • Supporting the transition to clean energy through its solar business



Human Resources

HEIL recognises its employees as the foundation of its success and culture. Therefore, the Company aligns its HR strategies with its broader objective, ensuring policies, engagement practices, and skill development initiatives foster a positive and productive work environment.

The Company offers competitive compensation and growth opportunities, supported by a robust reward and recognition framework, designed to enhance employee retention and motivation. HEIL also encourages active employee participation in organisational development and continually invests in leadership, training, and communication to strengthen its human capital. As of March 31, 2025, the Company employed 1,664 individuals including 265 qualified engineers.

Sustainability

Sustainability continues to be a core focus for Harsha Engineers, with environmental, social, and governance (ESG) principles integrated across its operations. In 2024-25, the Company implemented several initiatives promoting responsible practices such as water conservation, afforestation, shared mobility to reduce emissions, and improvements in workplace safety.

HEIL also took steps to conserve natural resources and maintain clean, green environments across supported initiatives. On the social front, the Company is dedicated to empowering person with disabilities (PwD) by providing meaningful career employment opportunities. Its social outreach further extend to education, healthcare, and support for vulnerable communities. These activities reflect HEIL's commitment to reducing its environmental footprint, supporting inclusive growth, and maintaining high standards of governance and transparency.

CSR Initiatives

Corporate Social Responsibility (CSR) at Harsha Engineers reflects the Company's commitment to inclusive growth and social development. The Company's CSR initiatives are governed by a formal policy and implemented under the supervision of a dedicated Board-level committee. During 2024-25, HEIL focussed on key areas such as the welfare of individuals with intellectual and developmental disabilities, healthcare, education, animal welfare, environmental sustainability, and disaster response. A flagship initiative was the ongoing development of Anand Dham, a self-contained residential facility for mentally challenged individuals with ageing or deceased parents, undertaken through the Aastha Charitable Trust.

In the financial year 2024–25, HEIL spent ₹ 171 lakhs on CSR initiatives and transferred ₹ 135 lakhs to the Unspent CSR Account towards an ongoing project. These activities were implemented through credible non-governmental organisations and aligned with Schedule VII of the Companies Act. Through these focussed efforts, HEIL continues to contribute meaningfully to the communities it serves and reinforce its position as a responsible corporate entity.

Internal Control Systems and Their Adequacy

HEIL has aligned its internal control systems with the growing scale and complexity of its operations. To meet evolving business demands, the Company has strengthened the role of its internal audit function and broadened its scope to include corporate governance, risk management, IT controls, policy compliance, and statutory requirements. These systems ensure the safeguarding of assets, accurate transaction recording, and timely financial reporting.

The Company conducts periodic evaluations to ensure its internal controls remain robust, transparent, and aligned with regulatory expectations. The Audit Committee oversees the control environment and regularly reviews audit outcomes. It also drives implementation of key recommendations to enhance operational integrity and risk oversight.

Cautionary Statement

The Management Discussion and Analysis may contain 'forward-looking statements' based on current expectations, assumptions, and projections about future events. These statements involve inherent risks and uncertainties both identified and unforeseen that could cause actual results to differ materially. Factors such as shifts in macroeconomic conditions, regulatory changes, geopolitical events, and potential global disruptions, including pandemics, may significantly impact business outcomes. The Company bases its statements on information available at the time of reporting and assumes no obligation to revise or update any 'forward-looking statements' arising from subsequent developments or events.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajendra Shah
Chairman & Whole-Time Director

Mr. Harish Rangwala
Managing Director

Mr. Vishal Rangwala
CEO & Whole-Time Director

Mr. Pilak Shah
COO & Whole-Time Director

Ms. Hetal Naik
Whole-Time Director

Shri Ambar Patel
Independent Director

Dr. Bhushan Punani
Independent Director

Ms. Priyanka Agarwal Chopra
Independent Director

Mr. Ramakrishnan Kasinathan
Independent Director

Mr. Kunal Shah
Independent Director

VICE PRESIDENT – FINANCE & GROUP CHIEF FINANCIAL OFFICER

Mr. Maulik Jasani

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. 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
The Hongkong and Shanghai Banking Corporation Limited
ICICI Bank Limited
Axis Bank Limited

REGISTERED/CORPORATE OFFICE/ CHANGODAR FACILITY

Sarkhej-Bavla Road, Changodar,
Ahmedabad, Sanand - 382213, Gujarat, India
Tel.: 91-2717-618200, Fax: 91-2717-618259
Email-Id: sec@harshaengineers.com
Website: www.harshaengineers.com
CIN: L29307GJ2010PLC063233

MORAIYA FACILITY

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

BOARD'S REPORT

To,

The Members,

The Board of Directors is pleased to present Integrated Annual Report together with the Audited Annual Accounts of the Harsha Engineers International Limited ("the Company") for the financial year ("year") ended March 31, 2025.

1. FINANCIAL RESULTS

The Audited Standalone and Consolidated Financial Statements of the Company as on March 31, 2025 are prepared in accordance with the relevant applicable Indian Accounting Standards (Ind AS) and provisions of the Companies Act, 2013 ("the Act").

The Standalone and Consolidated financial performance for the financial year ended March 31, 2025 has been summarised as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	**1,08,930**	**1,08,094**	**1,40,765**	**1,39,230**
Profit Before Depreciation and Amortisation Expenses, Exceptional Items and Tax	20,345	19,450	20,390	19,007
Less: Depreciation & Amortisation Expenses	2,867	2,685	4,054	3,932
Less: Exceptional Items#	9,501	-	2,768	-
Profit Before Tax	**7,977**	**16,765**	**13,568**	**15,075**
Tax Expense:				
Less: Current Tax	4,079	3,771	4,120	3,797
Less: Deferred Tax	362	303	517	135
Profit After Tax	**3,536**	**12,691**	**8,931**	**11,143**
Add: Other Comprehensive Income	(228)	400	(229)	400
Total Comprehensive Income	**3,308**	**13,091**	**8,702**	**11,543**

#Note: It pertains to Impairment in carrying value of Investment based on Fair Valuation Report of Harsha Engineers Europe SRL, Wholly-owned subsidiary of the Company.

2. PERFORMANCE AND OPERATION REVIEW

CONSOLIDATED

The Company has achieved revenue from operations of ₹ 1,40,765 lakhs for the financial year ended March 31, 2025, an increase of 1.10% as compared to ₹ 1,39,230 lakhs in the previous financial year.

Profit after tax (PAT) for the financial year ended March 31, 2025 is ₹ 8,931 lakhs, a decrease of 19.85% as against ₹ 11,143 lakhs in the previous financial year.

Basic earnings per share (EPS) for the financial year ended March 31, 2025 is ₹ 9.81 as against ₹ 12.24 in the previous financial year.

Diluted earnings per share (EPS) for the financial year ended March 31, 2025 is ₹ 9.81 as against ₹ 12.24 in the previous financial year.

STANDALONE

The Company has achieved revenue from operations of ₹ 1,08,930 lakhs for the financial year ended March 31, 2025, increase of 0.77% as compared to ₹ 1,08,094 lakhs in the previous financial year.

Profit after tax (PAT) for the financial year ended March 31, 2025 is ₹ 3,536 lakhs, decrease of 72.14% as against ₹ 12,691 lakhs in the previous financial year.

Basic earnings per share (EPS) for the financial year ended March 31, 2025 is ₹ 3.88 as against ₹ 13.94 in the previous financial year.

Diluted earnings per share (EPS) for the financial year ended March 31, 2025 was ₹ 3.88 as against ₹ 13.94 in the previous financial year.

BOARD'S REPORT (CONTD.)

3. SIGNIFICANT ACTIVITIES IN FINANCIAL YEAR 2024-25

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

- M/s. Harsha Engineers Advantek Limited, a Wholly-owned subsidiary of the Company, has completed machinery installation at its newly established facility located at Survey Nos. 378 and 379, Rajkot-Ahmedabad Highway, Near Kairose Pharma P Ltd, Bhayla, Ahmedabad, Gujarat, 382220. Commercial production and invoicing are anticipated to commence by the close of the first quarter of FY26.
- The insurance company has settled the product recall claim amount of USD 1 million. The Company has received this payment after the standard deductible as per the policy terms.
- The Company has entered into a long term Agreement ("the Agreement") with a leading multinational bearing company engaged in the business of manufacturing industrial and automotive bearings and other products, effective on December 05, 2024, for manufacture and supply of bearing cage products in accordance with terms and conditions stipulated in the Agreement.
- The Company has entered into a Letter of Intent ("LOI") with a leading multinational Group company engaged in the business of manufacturing AC compressors, effective on April 26, 2025, for manufacture and supply of stamping products in accordance with terms and conditions stipulated in LOI.
- During the year, the Company commissioned 0.383 Solar Roof top power plant at its Moriya Facility. The Company is also setting up a 10.4 MWp (2 x 5.20 MWp) solar tracker PV power plant in Vada, Kankrej, Banaskantha, Gujarat (Survey Nos. 13, 19, 34, 35, 36, 37). This project is expected to be completed and commissioned in the first quarter of FY26.
- The Company has been honoured with an India Level Sustainability Award from its esteemed customer Schaeffler on April 18, 2024.
- The Company has been honoured with a Global level Sustainability Award from its esteemed customer Schaeffler on June 19, 2024.
- The Company has been honoured with an Intelligent & Agile Award in Pune from its esteemed customer, SKF on March 14, 2024.
- The Company won Platinum Award in the Kobetsu Kaizen Pillar and Silver Award in the Jishu Hozen Pillar at the 20th CII Circle Competition held on April 23, 2024 and April 24, 2024.
- The Company secured 1st place in Best Safety Poster Competition held at the Wabtec Corporation during 2024 Safety week celebration.
- The Company has participated in Gate 2025 - GCCI Annual Trade Expo during April, 2025.
- During Annual Vendor Meet 2025, the Company has been honoured with an Enduring Partnership Excellence Award from TATA Bearings on February 19, 2025.
- At the 11th India Risk Management Awards, organised by CNBC-TV18 and ICICI Lombard, the Company was honoured as the winner in the 'Regulatory Compliance Management' category.

4. UTILISATION OF NET PROCEEDS OF THE INITIAL PUBLIC OFFER ("IPO")

As on March 31, 2025, the main objects and utilisation of net proceeds of the IPO are as follows:

(₹ in crores)

Sl. No.	Item Head	Amount as proposed in the Offer Document	Fund Utilised
1	Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company	270.00	270.00
2	Funding capital expenditure requirements towards purchase of Machinery	77.95	68.22
3	Infrastructure repairs and renovation of our existing production facilities including office premises in India	7.12	7.12
4	General corporate purposes	74.33	74.33
	Total	**429.40**	**419.67**

Note: The Company has not fully utilised the net proceeds from its IPO for the purposes stated in the Prospectus dated September 19, 2022, during 2023-24. Consequently, the Board of Directors and the Audit Committee, in their meeting held on February 08, 2024, have approved an extension of the deployment period for the IPO proceeds towards the objectives outlined in the Prospectus dated September 19, 2022, up to March 31, 2026.

BOARD'S REPORT (CONTD.)

5. SHARE CAPITAL

The Authorised Share Capital of your Company as on March 31, 2025 stood at ₹ 1,00,00,00,000 divided into 10,00,00,000 equity shares of ₹ 10 each. The Issued Share Capital of your Company is ₹ 91,04,41,050 divided into 9,10,44,105 equity shares of ₹ 10 each and the Subscribed and Paid-up Share Capital is ₹ 91,04,41,050 divided into 9,10,44,105 equity shares of ₹ 10 each fully paid-up.

6. DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 1 per equity share of ₹ 10 each fully paid up for the financial year ended on March 31, 2025. The proposal is subject to the approval of Members at the ensuing Annual General Meeting. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 910.44 lakhs.

7. DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Act and other applicable provisions, if any, of the Act including any statutory modifications or re-enactments thereof, during the financial year ended March 31, 2025 the Company has not required to transfer any amount in the Investor Education and Protection Fund.

9. TRANSFER TO RESERVES

As permitted under the provisions of the Act, the Board does not propose to transfer any amount to general reserve for the financial year ended on March 31, 2025.

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

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.

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

As on March 31, 2025, the Company has three subsidiaries and a Joint Venture, the details of which are given below:

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of Share Holding/ Capital Contribution
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	Harsha Precision Bearing Components (China) Co. Limited No. 10 Fuhua Road, Bixi Avenue, Changshu City, Jiangsu, Province, China.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
3	Harsha Engineers Europe SRL Ghimbav, "ICCO Ghimbav – Brașov Industrial Park", County Road 103C, km 2 + 115, Building H4, County Brasov.	Foreign Subsidiary	Wholly Owned Subsidiary	100%
4	Harsha Engineers Advantek Limited Sarkhej-Bavla Road, Changodar, Ahmedabad, Sanand-382213, Gujarat, India.	U28140GJ2023PLC139182	Wholly Owned Subsidiary	100%

BOARD'S REPORT (CONTD.)

During the year under review, the Board of Directors reviewed the affairs of subsidiaries and joint venture. In accordance with Section 129(3) of the Act, the Company has prepared consolidated financial statements of the Company and all its subsidiaries and joint venture, which form part of the Annual Report. Further a statement containing the salient features of the financial statements of subsidiaries and joint venture in the prescribed Form no. AOC-1 is appended as **ANNEXURE-A.** The separate audited financial statements in respect of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of the subsidiary are also available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/financial-information.php#. The Company has framed a policy for determining material subsidiaries, which has been available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php.

12. DIRECTORS

The Board of Directors consists of 10 Directors, out of which 5 are Non-Executive & Independent Directors including one women Director and 5 are Executive & Non-Independent Directors including one women Director. The composition is in compliance with the Act and SEBI Listing Regulations.

During the year following changes has been made in the Directors of the Company:

Sl. No.	Name of the Director	Date of Change	Appointment/ Resignation/ Change in Designation
1	Prof. (Dr.) Neharika Vohra	November 11, 2024	Resigned as Independent Director
2	Ms. Priyanka Agarwal Chopra	November 11, 2024	Appointment as Independent Director
3	Mr. Rajendra Shah	December 25, 2024	Re-appointment as Chairman & Whole-time Director
4	Mr. Harish Rangwala	December 25, 2024	Re-appointment as Managing Director
5	Mr. Vishal Rangwala	December 25, 2024	Re-appointment as Chief Executive Officer ("CEO") & Whole-time Director
6	Mr. Pilak Shah	December 25, 2024	Re-appointment as Chief Operating Officer ("COO") & Whole-time Director
7	Ms. Hetal Naik	December 25, 2024	Re-appointment as Whole-time Director

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Pilak Shah (DIN:00407960) COO & Whole-time Director and Ms. Hetal Naik (DIN:01990172) Whole-time Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting, being eligible for re-appointment, both have offered themselves for the same.

13. PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, the following performance evaluations were carried out:

a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;

b. Performance evaluation of the Board, its Committees and Independent Directors by the Board of Directors.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report which forms part of this Annual Report.

14. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Nomination Remuneration Evaluation Policy is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php

15. KEY MANAGERIAL PERSONNEL ("KMP")

Pursuant to the provisions of Section 2(51) and 203 of the Act 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, 2025.

Sl. No.	Name of KMP	Designation
1	Mr. Rajendra Shah[1]	Chairman & Whole-time Director
2	Mr. Harish Rangwala[2]	Managing Director
3	Mr. Vishal Rangwala[3]	CEO & Whole-time Director
4	Mr. Pilak Shah[4]	COO & Whole-time Director
5	Ms. Hetal Naik[5]	Whole-time Director
6	Mr. Maulik Jasani	Vice President Finance & Group Chief Financial Officer
7	Mr. Kiran Mohanty	Company Secretary & Chief Compliance Officer

[1] Mr. Rajendra Shah is re-appointed as Chairman and Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[2] Mr. Harish Rangwala is re-appointed as Managing Director of the Company for the period of five years with effect from December 25, 2024.

[3] Mr. Vishal Rangwala is re-appointed as CEO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[4] Mr. Pilak Shah is re-appointed as COO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[5] Ms. Hetal Naik is re-appointed as Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

16. NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 4 (four) times during the financial year 2024-25. All the Board Meetings were held as per Section 173 of Act with all the relevant rules & regulations related to that. Secretarial Standard -1 (Board Meeting) and SEBI Listing Regulations are duly complied with.

The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2024-25 are given in the Corporate Governance Report which forms part of this Annual Report.

17. INDEPENDENT DIRECTOR

The Company has complied with the definition of Independence according to the provisions of Section 149(6) of the Act and SEBI Listing Regulations. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Act and SEBI Listing Regulations. All Independent Directors have provided declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and SEBI Listing Regulations.

18. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTOR

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying it in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has through presentations, at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The details of such familiarisation programmes for Independent Directors are explained in the Corporate Governance Report which forms part of this Annual Report.

19. COMMITTEES

During the financial year the Board has 6 Committees: Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Management Committee. During the financial year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

A detailed note on the composition of the Board and its Committees, including its terms of reference is in line with the provisions of the Act and the SEBI Listing Regulations and provided in the Corporate Governance Report which forms part of this Annual Report.

20. RISK MANAGEMENT FRAMEWORK

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise 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.

BOARD'S REPORT (CONTD.)

The Company has a Risk Management Committee and Risk Management Policy consistent with the provisions of the Act and the SEBI Listing Regulations. The Risk Management Policy is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php. The Committee facilitates the execution of risk management practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting and also provides guidance to the management team. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and related procedures and status.

The details of Risk Management Committee along with other details are set out in Corporate Governance Report, forming part of this Annual report.

21. DISCLOSURE UNDER SECTION 67(3)(C) OF THE ACT

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

22. DEPOSIT

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

23. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year 2024-25 were on an arm's length basis and were in the ordinary course of business and are in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors, KMP, etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the Members. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

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

The Policy on Related Party Transactions is available on our website at https://www.harshaengineers.com/InvestorRelations/company-policies.php

24. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 in the prescribed Form no. MGT-7 is available on the Company's website at https://www.harshaengineers.com/InvestorRelations/financial-information.php#

25. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

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

26. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 had taken proper and sufficient care for the 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 fraud and other irregularities;

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

e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

BOARD'S REPORT (CONTD.)

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

27. AUDITORS AND AUDITORS' REPORT

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 the 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.

Cost Auditor

M/s. Kiran J. Mehta & Co., Cost Accountants (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, 2025.

Secretarial Auditor

M/s. Chirag Shah & Associates, Peer Reviewed Firm of Practicing Company Secretaries were appointed as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year ending March 31, 2025.

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

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

Pursuant to Regulation 24A of SEBI Listing Regulations and subject to approval of the members at the ensuing Annual General Meeting, the Board, on the recommendation of Audit Committee, has appointed M/s. Chirag Shah & Associates, Peer Reviewed Firm of Practicing Company Secretaries as Secretarial Auditor to carry out the Secretarial Audit of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30.

Internal Auditor

M/s. Talati & Talati LLP, Chartered Accountants (FRN:110758W) and M/s. MAR & Co., Chartered Accountants (FRN:138633W) were appointed as Internal Auditors of the Company for Engineering Business Division and Solar EPC Business Division respectively for the financial year 2024-25. The Board of Directors of the Company in consultation with the Internal Auditors formulated the scope, functioning, periodicity and methodology for conducting an Internal Audit.

28. INSURANCE

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

29. CREDIT RATING

There has been no revision in credit ratings of the Company during the financial year ended March 31, 2025, details of which are as under:

Credit Rating Agency	Facilities/ Instruments	Existing Ratings	New Ratings	Rating Action	Amount (₹ crores)
CARE Ratings Limited	Long term / Short term Bank Facilities	CARE AA-; Stable / CARE A1+	CARE AA-; Stable / CARE A1+	Reaffirmed by CARE Rating Limited	431.32 (Reduced from 483.87)

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

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

BOARD'S REPORT (CONTD.)

31. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In accordance with the provisions of Section 135 of the Act and rules made thereunder the Company has adopted a policy for CSR and the Board has constituted a committee for implementing the CSR activities. The Annual Report on the CSR activities is appended as **ANNEXURE-D** to this Board's Report.

32. CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of the SEBI Listing Regulations, a separate Report on Corporate Governance and the Business Responsibility and Sustainability Report, forms part of this Annual Report.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as stipulated under the SEBI Listing Regulations is presented in a separate section forming part of this Annual Report.

34. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **ANNEXURE-E** to this Board's Report. The statement containing names of the top 10 employees, in terms of remuneration drawn and the particulars of employees as required under the Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary at sec@harshaengineers.com.

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

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

The Company has a 'Prevention of Sexual Harassment' (POSH) policy which is in line with the statutory requirement. The Company has put in place a structured reporting and redressal mechanism. The POSH policy is communicated to all employees of the Company. During the financial year 2024-25, no complaints in respect of the same has been received by the Company.

36. VIGIL MECHANISM / WHISTLE BLOWER

Pursuant to the provisions of Act and rules made thereunder and SEBI Listing Regulations the Company has framed and adopted vigil mechanism policy to deal with instance of fraud and mismanagement, if any and is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php. The Company has also provided adequate safeguards against victimisation of employees and directors who express their concerns.

37. INTERNAL FINANCIAL CONTROLS

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

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

38. SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

39. 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-E** forms part of this Board's Report.

BOARD'S REPORT (CONTD.)

40. 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, Shareholders, Employees and other Stakeholders of the Company.

By Order of the Board of Directors

Registered Office:
Sarkhej - Bavla Road, Changodar, Ahmedabad,
Sanand-382213, Gujarat, India.
CIN: L29307GJ2010PLC063233
Email-Id: sec@harshaengineers.com
Website: www.harshaengineers.com

Rajendra Shah
Chairman & Whole-time Director
DIN:00061922
May 08, 2025

ANNEXURE-A

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

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014)

(₹ in lakhs)

Name of Subsidiary company/ Joint Venture	Reporting period for the concerned Subsidiary company/ Joint Venture if different from that of the Company Reporting Period	Reporting currency and exchange rate as on the last date of relevant financial year in case of foreign Subsidiary company/ Joint Venture		Share Capital	Reserve and Surplus	Total Assets	Total Liabilities (excluding Share Capital and Reserves and Surplus)	Investments	Turnover	Profit/ (Loss) Before Tax	Provision for Tax	Profit/ (Loss) After Tax	% of Share Holding/ Capital Contribution
		Currency	Exchange Rate										
Cleanmax Harsha Solar LLP	N.A.	₹	N.A.	1,143	-	1,229	86	-	322	58	0	58	50%
Harsha Precision Bearing Components (China) Co. Limited	N.A.	RMB	11.7753 (for B/S), 11.7127 (for P&L)	14,847	(7,557)	12,721	5,431	-	10,980	443	152	292	100%
Harsha Engineers Europe SRL	N.A.	RON	18.5025 (for B/S), 18.2356 (for P&L)	5,121	(6,733)	7,779	9,391	-	20,602	(1,701)	-	(1,701)	100%
Harsha Engineers Advantek Limited	N.A.	₹	N.A.	13,010	63	23,530	10,456	-	768	117	38	80	100%

Notes:

1. Proposed dividend from any of the subsidiaries is Nil.
2. M/s. Harsha Engineers Advantek Limited, a Wholly-owned subsidiary of the Company, has completed machinery installation at its newly established facility located at Survey Nos. 378 and 379, Rajkot-Ahmedabad Highway, Near Kairose Pharma P Ltd, Bhayla, Ahmedabad, Gujarat, 382220. Commercial production and invoicing are anticipated to commence by the close of the first quarter of FY26.

By Order of the Board of Directors

Rajendra Shah
Chairman & Whole-time Director
DIN:00061922
May 08, 2025

Harish Rangwala
Managing Director
DIN:00278062
May 08, 2025

Maulik Jasani
VP Finance & Group CFO
May 08, 2025

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907
May 08, 2025

ANNEXURE-B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2025
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Harsha Engineers International Limited
Sarkhej - Bavla Road, Changodar,
Ahmedabad, Sanand, Gujarat, India, 382213

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Harsha Engineers International Limited** (CIN L29307GJ2010PLC063233) (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 authorised 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, 2025**, 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 herein after. 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, 2025 according to the provisions of:

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

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

(iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

d. 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. 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;

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

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

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

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

b. The Listing Agreements entered into by the Company with Stock Exchange(s): -

ANNEXURE-B (CONTD.)

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. In Certain cases, the shorter notice was given for meetings and the consent of all directors were taken for the same.

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

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

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

1. Re-appointment of Mr. Rajendra Shah (DIN:00061922) as a Chairman & Whole-time Director of the Company for the period of five years with effect from December 25, 2024 at Annual General Meeting of the Company held on September 16, 2024
2. Re-appointment of Mr. Harish Rangwala (DIN:00278062) as a Managing Director of the Company for the period of five years with effect from December 25, 2024 at Annual General Meeting of the Company held on September 16, 2024.
3. Appointment of Ms Priyanka Agarwal Chopra (DIN:10011547) as a Non-Executive Independent Director of the Company approved by the Members of the Company with the requisite majority on January 25, 2025 through Postal Ballot Notice dated November 11, 2024

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
Place: Ahmedabad **UDIN: F005545G000298301**
Date: May 08, 2025 **Peer Review Cert. No.6543/2025**

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

ANNEXURE-B (CONTD.)

'Annexure A'

To,
The Members,
Harsha Engineers International Limited
Sarkhej - Bavla Road, Changodar,
Ahmedabad, Sanand, Gujarat, India, 382213

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

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
Place: Ahmedabad **UDIN: F005545G000298301**
Date: May 08, 2025 **Peer Review Cert. No.6543/2025**

ANNEXURE-C

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

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

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

1. Steps taken or impact on conservation of energy

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognised the importance of energy conservation in decreasing the deleterious effects of global warming and climate change.

- The Company continues to refine processes and implement new technologies to achieve even greater efficiency gains. Some of the key initiatives contributing to this achievement include:

  i. Process Optimisation**:**

  We have analysed our production processes to identify and eliminate energy waste. This may include streamlining operations, optimising equipment settings, and implementing preventive maintenance programmes.

  ii. Energy-Efficient Technologies:

  The Company invests in energy-efficient technologies for our machinery and facilities. This could involve upgrading lighting systems with LEDs, replacing older equipment with more efficient models, or exploring the feasibility of renewable energy sources.

  iii. Employee Engagement:

  We foster a culture of energy awareness among our employees by providing training programmes on energy-saving practices and encouraging them to identify and report opportunities for improvement.

By implementing these initiatives, the Company is contributing to cost savings through lower energy consumption.

- Optimising Energy Efficiency:

  The Company prioritises energy efficiency to reduce our environmental footprint. We've implemented cutting-edge solutions like Variable Speed Drives (VFDs) in air compressors, automated shutdowns for idle machinery, and intermittent operation of hydraulic power packs.

  Additionally, the Chemical filtration plant utilises automated shutdowns during idle periods. Continuous Innovation is the key. We're exploring an Eco Ambulance, IoT integration, and a dedicated hybrid energy project.

- We recognise the significant impact of indirect energy use across our value chain, from raw material extraction to product use. Two key initiatives:

  i. Supplier Engagement:

  We collaborate with our suppliers to identify and implement energy efficient practices within their operations. This could involve sharing best practices for equipment upgrades or encouraging them to utilise renewable energy sources where feasible. By working together, we can minimise the environmental footprint across our entire value chain.

  ii. Energy-Efficient Product Design:

  The Company prioritises designing products that minimise energy use throughout their lifecycle. This approach translates to using lightweight materials, optimising functionality, and providing clear instructions for energy conscious use by customers.

2. Steps taken by the Company for utilising alternate source of energy

The Company prioritises a sustainable future by actively expanding our renewable energy portfolio and reducing our reliance on traditional fossil fuels. This diversified approach not only minimises our environmental footprint but also enhances our energy security and long-term cost efficiency. Diversifying Our Renewable Energy Sources:

- Solar Power: The Company a combined capacity of 2.604 MW across rooftop and ground-mounted installations strategically located across India.

ANNEXURE-C (CONTD.)

- Wind Power: The Company leverages wind energy through facilities in Kalyanpur and Pipaliya, Gujarat. Our existing 1.25 MW windmill at Kalyanpur continues operation, generating reliable clean energy.
- Hybrid Power Project: In Pipaliya, we've implemented an innovative hybrid renewable energy project that include a wind turbine generator with a capacity of 2.7 MW alongwith solar power plant with a capacity of 0.675 MW AC/1.0125 MW DC solar power plant. This combination of wind and solar power enhances the overall efficiency of the project.

During the year, the Company commissioned 0.383 Solar Roof top power plant at its Moriya Facility. The Company is also setting up a 10.4 MWp (2 x 5.20 MWp) solar tracker PV power plant in Vada, Kankrej, Banaskantha, Gujarat (Survey Nos. 13, 19, 34, 35, 36, 37). This project is expected to be completed and commissioned in the first quarter of FY26.

By significantly increasing our renewable energy usage, the Company demonstrates its commitment to a sustainable future. We remain dedicated to expanding our renewable energy portfolio through diversification, geographical expansion, and embracing technological advancements.

3. Capital investment on energy conservation equipment's

During the year, the Company commissioned 0.383 Solar Roof top power plant at its Moriya Facility. The Company is also setting up a 10.4 MWp (2 x 5.20 MWp) solar tracker PV power plant in Vada, Kankrej, Banaskantha, Gujarat (Survey Nos. 13, 19, 34, 35, 36, 37). This project is expected to be completed and commissioned in the first quarter of FY26.

B. Form for disclosure of particulars with respect to absorption

1. Technology, absorption, adaptation and innovation

a) 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 commercialisation.

b) 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 the 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 financial year amounts to ₹ 43,968.87 lakhs and ₹ 3,252.71 lakhs respectively.

By Order of the Board of Directors

Rajendra Shah
Chairman & Whole-time Director
DIN:00061922
May 08, 2025

ANNEXURE-D

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

(Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014)

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 organisation.

CSR has been a long-standing commitment at the Company and forms an integral part of our activities. Being a responsible corporate citizen, the 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.

The 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. The 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 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.

II. OVERVIEW OF CSR INITIATIVES

The Company undertakes CSR initiatives which are a key function that overlay itself across all key operations of the Company. The Company's CSR efforts are primarily dedicated in following areas:

Person with intellectual and development disabilities	With the vision to create and environment which can provide meaningful opportunities to persons with intellectual and development disabilities, so that they can live an active and independent life, develop occupational skills, get the warmth of a family, and get assimilated in society.
Education	Access to quality education and skill enhancement
Health	Affordable solution for healthcare
Environment	Environment sustainability, Ecological balance, Conservation of natural resources
Disaster Response	Managing and responding to disaster

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 developed to provide a clean, green and sanitised 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.

So far Harsha Group has contributed around ₹ 8.43 crores towards CSR initiatives and firmly believes that these outreach programmes are needed for the greater good.

However, in addition to aforesaid key thrust area, the Company is committed to attend to any of activities outlined in Schedule VII as amended from time to time which the CSR Committee and Board of Directors may consider and approve as a part of CSR Activities.

III. 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 Act, the Board has set up the CSR Committee.

ANNEXURE-D (CONTD.)

The details of the CSR Committee members and meeting held during the financial year 2024-25 are given as under:

Sl. No.	Name of Committee Member	Category	Position	Date of Meeting	Number of Meetings Held	Number of Meetings Attended
1	Mr. Rajendra Shah	Executive Director	Chairman	May 16, 2024 & March 18, 2025	2	2
2	Mr. Harish Rangwala	Executive Director	Member		2	2
3	Dr. Bhushan Punani	Non-Executive Independent Director	Member		2	2

IV. Web links where composition of the 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 the website of the Company at https://www.harshaengineers.com/InvestorRelations/boardofdirector.php#
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Act. The CSR Policy of the Company is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php
- The Committee, with the approval of the Board, has approved the CSR projects for financial year 2024-25 which is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/stockexchange-compliance.php

V. Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

VI. 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: ₹ 12.51 lakhs

VII. 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))	₹ 318.40 lakhs
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c.	Amount required to be set-off for the financial year, if any	₹ 12.51 lakhs
d.	Total CSR obligation for the financial year [(a)+(b)-(c)]	₹ 305.89 lakhs

VIII. CSR amount spent for the financial year 2024-25

a.	Amount Spent on CSR Projects	
	(i) Ongoing Project	₹ 120 lakhs*
	(ii) Other than Ongoing Project	₹ 51 lakhs
b.	Amount spent in Administrative Overheads	Nil
c.	Amount spent on Impact Assessment, if applicable	Not Applicable
d.	Total amount spent for the financial year 2024-25	₹ 171 lakhs

*Excludes ₹ 135 lakhs transferred to Unspent CSR Account towards an ongoing project.

IX. A. CSR amount spent or unspent for the financial year 2024-25

Total Amount Spent for the financial year (₹ in lakhs)	Amount Unspent				
	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)		
	Amount (₹ in lakhs)	Date of Transfer	Name of the Fund	Amount (₹ in lakhs)	Date of Transfer
171.00*	135	March 27, 2025	Not Applicable		

*Excludes ₹ 135 lakhs transferred to Unspent CSR Account towards an ongoing project.

ANNEXURE-D (CONTD.)

B. Details of CSR amount spent against ongoing projects for the financial year 2024-25

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in months)	Amount spent for the project (₹ in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
1	Anandham – Welfare of Mentally Challenged People	iii	Yes	Gujarat	Ahmedabad	24#	120*	No	Aastha Charitable Trust for Welfare of the Mentally Challenged	CSR00002020

#The project is commenced in the financial year 2024-25 and will be completed in the financial year 2025-26.

*Excludes ₹135 lakhs transferred to Unspent CSR Account towards an ongoing project.

C. Details of CSR amount spent against other than ongoing projects for the financial year 2024-25

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Education and Welfare of deaf Children and for Trainees	ii	No	Gujarat	Vadodara	11.00	No	Akshar Trust	CSR00000100
2	Animal Welfare	iv	Yes	Gujarat	Ahmedabad	15.00	No	Sant Vinoba Gram Swarajya Ashram	CSR00059364
3	Heart Surgery free of cost for needy people	i	Yes	Gujarat	Ahmedabad	25.00	No	Prashanti Medical Services and Research Foundation	CSR00007410

X. Amount available for set off in succeeding financial years: Nil

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

By Order of the Board of Directors

Rajendra Shah
Chairman - CSR Committee
DIN:00061922
May 08, 2025

Harish Rangwala
Managing Director
DIN:00278062
May 08, 2025

ANNEXURE-E

PARTICULARS OF REMUNERATION
(Pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

1. **The ratio of the remuneration of each director to median remuneration of the employees of the company for the financial year 2024-25:**

Name of Director	Designation	Ratio of remuneration of each director to the median remuneration of the employees
Mr. Rajendra Shah	Chairman & Whole-time Director	18:1
Mr. Harish Rangwala	Managing Director	28:1
Mr. Vishal Rangwala	CEO & Whole-time Director	52:1
Mr. Pilak Shah	COO & Whole-time Director	51:1
Ms. Hetal Naik	Whole-time Director	22:1
Mr. Ambar Patel	Independent Director	0.2:1
Prof. Dr. Neharika Vohra[1]	Independent Director	0.1:1
Mr. Kunal Shah	Independent Director	0.2:1
Dr. Bhushan Punani	Independent Director	0.2:1
Mr. Ramakrishnan Kasinathan	Independent Director	0.2:1
Ms. Priyanka Agarwal Chopra[2]	Independent Director	0.05:1

[1] Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director w.e.f. November 11, 2024.
[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director w.e.f. November 11, 2024.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2024-25:**

Name	Designation	% increase in remuneration in the 2024-25
Mr. Rajendra Shah	Chairman & Whole-time Director	20.38%
Mr. Harish Rangwala	Managing Director	24.77%
Mr. Vishal Rangwala	CEO & Whole-time Director	19.71%
Mr. Pilak Shah	COO & Whole-time Director	20.30%
Ms. Hetal Naik	Whole-time Director	18.90%
Mr. Maulik Jasani	VP-Finance & Group CFO	10.00%
Mr. Kiran Mohanty	Company Secretary & Chief Compliance Officer	11.01%

Note for 1 and 2:

i. Remuneration of Managerial Personnel is inclusive of Managerial Commission payable for the financial year ended March 31, 2025 as approved by the Board at their meeting held on May 8, 2025.

ii. Other than sitting fees for attending the Board Meeting's, Independent Directors has not been paid any remuneration.

iii. Executive Directors' remuneration in the above table is given on accrual basis.

3. **The percentage increase in the median remuneration of employees in the financial year 2024-25:** 7.85%

4. **The number of permanent employees on the rolls of the Company as on March 31, 2025:** 1664 employees

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** 9.51%

   The median increase in remuneration to employees other than Managerial Personnel: 7.42%

   The average increase in the managerial remuneration: 20.66%

6. It is hereby affirmed that the remuneration paid is as per the Nomination Remuneration Evaluation Policy of the Company.

By Order of the Board of Directors

Rajendra Shah
Chairman & Whole-time Director
DIN:00061922
May 08, 2025

CORPORATE GOVERNANCE REPORT

[As required under Regulation 34 and Schedule V Para C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is adopting high standards of excellence in Corporate Governance and believes that good corporate governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders.

The Company's Corporate Governance philosophy has been further strengthened through its various policies like

- Code Of Conduct For Directors & Senior Management Personnel
- Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information
- Code Of Conduct To Regulate, Monitor And Report Trading By Insiders
- Corporate Social Responsibility Policy
- Policy For Evaluation Of The Performance Of The Board Of Directors
- Familiarization Program For Independent Directors
- Policy On Selection, Appointment, Performance Evaluation And Remuneration Of Directors And Key Managerial Personnel
- Policy To Promote Diversity On The Board Of Directors
- Policy On Succession Planning For The Board And Senior Management
- Whistle Blower Policy
- Policy On Related Party Transactions

Its well-structured Internal Control Systems are subjected to regular assessment for its effectiveness, reinforces integrity of management and fairness in dealing with the Company's stakeholders.

The business operations are conducted to benefit of all its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

The Company's board comprises eminent individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, marketing, legal and finance and is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Company has optimum combination of executive and non-executive director's including independent directors and woman directors.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as applicable, is given below.

II. BOARD OF DIRECTORS

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and society's expectations. The Board has identified the list of core skills/expertise/competences of the Board of Directors as required in the context of the business of the Company, which forms part of the Policy of the Nomination and Remuneration.

The Company is managed by the Board of Directors comprises eminent individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, marketing, legal and finance, who formulate strategies, policies, procedures and review its performance periodically.

A. Composition of the Board:

The Company has a balanced Board with optimum mix of Executive and Non-Executive Directors including Independent Directors and Woman Directors. All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the Company.

The composition of Board of directors of the Company is in consonance with the requirements of The Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. As on March 31, 2025 the Board of Directors comprises of 10 (Ten) Directors out of which 5 (Five) are Executive Non-Independent Directors including Chairman and 5 (Five) are Non-Executive Independent Directors.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Composition of the Board of Directors as on March 31, 2025 is as under:

Sl. No.	Name of Director	Category	Number of Board Meetings attended during the Financial Year 2025	Whether attended last AGM held on September 16, 2024	Number of Directorship in other Public Companies		Number of Committee positions held in other Public Companies	
					Chairman	Member	Chairman	Member
1	Mr. Rajendra Shah[1]	Executive Non-Independent Director	4	Yes	1	5	2	4
2	Mr. Harish Rangwala	Executive Non-Independent Director	3	Yes	-	1	-	-
3	Mr. Vishal Rangwala	Executive Non-Independent Director	4	Yes	1	1	-	-
4	Mr. Pilak Shah	Executive Non-Independent Director	4	Yes	-	1	-	-
5	Ms. Hetal Naik	Executive Non-Independent Director	4	Yes	-	-	-	-
6	Mr. Ambar Patel	Non-Executive Independent Director	4	Yes	-	3	-	2
7	Dr. Bhushan Punani	Non-Executive Independent Director	4	Yes	-	2	-	-
8	Mr. Ramakrishnan Kasinathan	Non-Executive Independent Director	4	Yes	-	-	-	-
9	Mr. Kunal Shah	Non-Executive Independent Director	4	Yes	-	-	-	-
10	Ms. Priyanka Agarwal Chopra[2]	Non-Executive Independent Director	1	Not Applicable	-	1	-	-

Note:

**For the purpose of considering the limit of the number of directorship Private Limited Companies, Foreign Companies and Companies Registered under Section 8 of the Act are excluded which is in line with the requirement of the SEBI Listing Regulation.*

***For the purpose of determination of position in committees only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered as per Regulation 26 of the SEBI Listing Regulations.*

[1] i. Tenure of Mr. Rajendra Shah in AIA Engineering Limited has been completed as an Independent Director on September 11, 2024 and due to this he is not Member of the Audit Committee and Chairman of the Stakeholders Relationship Committee. He was appointed as a Non-Executive & Non-Independent Director of that company effective from September 13, 2024.

ii. Mr. Rajendra Shah is appointed as an Independent Director of the Ratnamani Metals And Tubes Limited with effect from September 11, 2024.

iii. Term of Mr. Rajendra Shah in Dishman Carbogen Amcis Limited has been completed as an Independent Director on April 01, 2025 and consequently ceased to be a Director in that company with effect from April 02, 2025. On account of this, he is also ceased to be a Chairman of the Audit Committee and the Stakeholders Relationship Committee.

[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director of the Company with effect from November 11, 2024.

Note: Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director of the Company with effect from November 11, 2024.

CORPORATE GOVERNANCE REPORT (CONTD.)

B. Name of other Listed Entities where Directors of the Company are Directors and the category of Directorship:

Sl. No.	Name of Director	Directorship in Other Listed Entities	Category of Directorship
1	Mr. Rajendra Shah[1]	AIA Engineering Limited	Non-Executive & Non Independent Director
		Transformers And Rectifiers (India) Limited	Independent Director
		Dishman Carbogen Amcis Limited	Independent Director
		Ratnamani Metals And Tubes Limited	Independent Director
2	Mr. Ambar Patel	Shilp Gravures Limited	Managing Director
		Zodiac Energy Limited	Independent Director
3	Ms. Priyanka Agarwal Chopra [2]	Epigral Limited	Independent Director

[1] i. Tenure of Mr. Rajendra Shah in AIA Engineering Limited has been completed as an Independent Director on September 11, 2024 and due to this he is not Member of the Audit Committee and Chairman of the Stakeholders Relationship Committee. He was appointed as a Non-Executive & Non-Independent Director of that company effective from September 13, 2024.

ii. Mr. Rajendra Shah is appointed as an Independent Director of the Ratnamani Metals And Tubes Limited with effect from September 11, 2024.

iii. Term of Mr. Rajendra Shah in Dishman Carbogen Amcis Limited has been completed as an Independent Director on April 01, 2025 and consequently ceased to be a Director in that company with effect from April 02, 2025. On account of this, he is also ceased to be a Chairman of the Audit Committee and the Stakeholders Relationship Committee.

[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director of the Company with effect from November 11, 2024.

C. Brief Profile of Directors:

The Board of Directors comprises of highly renowned professionals of diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process.

The brief profile of the Company's Board of Directors is as under:

Mr. Rajendra Shah - Chairman & Whole-time Director

Mr. Rajendra Shah holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He was awarded the AMA Atlas Dycechem "Outstanding Entrepreneur of the Year Award 2001" by the Ahmedabad Management Association. Currently, he is looking after overall management of our Company, 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 52 years of experience in the precision engineering business for bearing cages and stamped components.

Mr. Harish Rangwala - Managing Director

Mr. Harish Rangwala holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He served at Tata Chemicals and thereafter joined our Company. Currently, he is looking after overall management of our Company along with renewable energy division. He has over 52 years of experience in the precision engineering business for bearing cages and stamped components.

Mr. Vishal Rangwala - Chief Executive Officer (CEO) & Whole-time Director

Mr. Vishal Rangwala holds a bachelor's degree in Mechanical Engineering 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 our 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 18 years of experience in the precision engineering business for bearing cages and stamped components.

CORPORATE GOVERNANCE REPORT (CONTD.)

Mr. Pilak Shah - Chief Operating Officer (COO) & Whole-time Director

Mr. Pilak Shah holds a bachelor's degree in Mechanical Engineering from Nirma Institute of Technology. He further holds a master's degree in Integrated Manufacturing Systems Engineering from North Carolina State University. Thereafter he joined our Company in 2006, as a manager for resource management and was thereafter, appointed as director on the Board of our Company on February 5, 2016. He is responsible for the overall strategic directions of the Harsha Group. He has over 19 years of experience in the precision engineering business for bearing cages and stamped components.

Ms. Hetal Naik - Whole-time Director

Ms. Hetal Naik holds the bachelor's degree in Mechanical Engineering from L.D. Engineering College and has completed Master of Technology in Mechanical Engineering with specialization in Design Engineering. She has been associated with our 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 other stakeholders who may be affected by our Company's operations. She also plays a vital role in managing TPM function of our Company.

Ms. Priyanka Agarwal Chopra - Independent Director

Ms. Priyanka Agarwal Chopra holds a Master's degree in Business Administration from the Wharton School of the University of Pennsylvania and a Master's degree in Electrical Engineering from the Georgia Institute of Technology. She is Chief Executive Officer and Managing Partner at IIMA Ventures (formerly IIMA-CIIE) and a Venture Partner at Bharat Innovation Fund. She has also served on the Venture Capital Sector Council at the Indian Venture and Alternate Capital Association (IVCA).

She has more than 12 years of experience in investing, advising and engaging with early stage companies. At IIMA Ventures, she has designed, created and led several leading-edge regional and national startup scouting and support focused programs and helped build out IIMA Venture's seed stage portfolio in sectors such as consumer internet, enterprise tech and financial services.

Prior to IIMA Ventures, she has worked in the high -tech industry with Sun Microsystems and IBM in a variety of design, engineering and strategy roles in the social impact space with Piramal Sarvajal, seeking to provide access to clean drinking water to India's underserved using technology and community engagement.

Mr. Ambar Patel - Independent Director

Mr. Ambar Patel holds a bachelor's degree in Mechanical Engineering from Gujarat University. He is managing director of Shilp Gravures Limited since October 29, 1993. 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.

Dr. Bhushan Punani - Independent Director

Dr. 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.

Mr. Ramakrishnan Kasinathan - Independent Director

Mr. 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, Hindustan Zinc Limited and Nexdigm Private Limited. He is currently working as a freelance management consultant in supply chain and sourcing.

Mr. Kunal Shah - Independent Director

Mr. Kunal Shah holds bachelor's degree in Engineering (Chemical) 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.

D. The Board has identified the following skills/expertise/competencies with reference to its business for the effective functioning of the Company and which are currently available with the Board:

In terms of the requirement of the SEBI Listing Regulations, the Board has identified the following fundamental skills/ expertise/ competencies for the effective functioning of the Company, which are currently available with the Board:

Based on job profile	1. Knowledge of job profile 2. Skills required to perform or to execute the job profile
Responsibilities and obligations	1. Attendance and participation in the meetings 2. Expert opinions in respect of the serious issues
Strategies	1. Strategies formulated and successfully implemented 2. Various Directions provided in the best interest of the Company on key issues
Performance management	1. Performance of the Company on the stock exchanges 2. Financial Performance 3. Achievement of domestic or international award
Risk management	1. Avoidance of high financial risk while executing the functions and duties 2. Avoidance of any other high risk
Mergers and acquisitions	1. Number of Mergers and Acquisitions ("M&A") taken place 2. Number of brands undertaken from outsiders or competitors 3. Success rate in executing M&A
Talent management	1. Achievement in respect of successful negotiations 2. Level of talent retained at low, mid and top level
Core governance and compliance management	1. Review of detailed compliances applicable under the various laws, rules and regulations 2. Reviewing whether the business is running legally or not
Annual targets	1. Targets achieved in domestic and international sales and marketing 2. Targets achieved in manufacturing activity
Expansion and diversification	1. Successfully executed business expansions and diversifications
Succession planning	1. Provision for additional or alternate Directors
Conflict of interest management	1. Strategy to resolve the conflict of interest in other directors and employees
Financial and operational control mechanism	1. Control on financial dealings 2. Control on internal operational activities
Maintenance of corporate culture and moral values	1. Initiatives to maintain corporate culture and moral values of the Company
Maintenance high level of integrity and ethics	1. Initiative to maintain high level of integrity and ethics
Compliance with the code of conduct for board of directors and senior management personnel	1. Functioning of duties and responsibilities as per the Code of Conduct for Board of Directors and Senior Management Personnel 2. Abidance and behavior in accordance with Code of Conduct for Board of Directors and Senior Management Personnel
In-general knowledge and skills	1. Skills required for carrying out business activities 2. Communication skills and quick responsiveness

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The directors so appointed are from diverse backgrounds and possess expertise across a range of disciplines including general management, business strategy, marketing, legal and finance.

E. Resignation of Independent Director before expiry of term:

Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director with effect from November 11, 2024 due to her other professional commitments. She has confirmed that no other material reasons for her resignation.

F. Agenda of the Board and Committee Meetings:

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration at the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

G. Invitees and Proceedings:

Apart from the Board members, Chief Financial Officer (CFO) and Company Secretary also attend the Board Meetings. Both CEO and CFO make presentation on the financial and operational performance of the Company quarterly and annually. They also present annual financial and operational budget.

Internal Auditors and Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

H. Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

I. Attendance of each Director at the Board meeting and the Last Annual General Meeting:

During the financial year 2024-25, 4 (Four) Board Meetings were held on May 16, 2024, August 07, 2024, November 11, 2024 and February 13, 2025. The gap between two Board Meetings was within the maximum time gap prescribed in the Act and the SEBI Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting ("AGM") was as under:-

Sl. No.	Name of Directors	Attendance in the Board meetings		Attendance at AGM held on September 16, 2024
		Held	Present	
1	Mr. Rajendra Shah	4	4	Yes
2	Mr. Harish Rangwala	4	3	Yes
3	Mr. Vishal Rangwala	4	4	Yes
4	Mr. Pilak Shah	4	4	Yes
5	Ms. Hetal Naik	4	4	Yes
6	Mr. Ambar Patel	4	4	Yes
7	Dr. Bhushan Punani	4	4	Yes
8	Mr. Ramakrishnan Kasinathan	4	4	Yes
9	Mr. Kunal Shah	4	4	Yes
10	Prof. (Dr.) Neharika Vohra[1]	4	2	Yes
11	Ms. Priyanka Agarwal Chopra [2]	4	1	Not Applicable

[1] Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director of the Company with effect from November 11, 2024.

[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director of the Company with effect from November 11, 2024.

J. Separate Meeting of Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision-making process at the Board with different points of view and experiences and prevents conflict of interest in the decision-making process.

None of the Independent Directors serves as "Independent Director" in more than seven listed companies. No person has been appointed or continuing as an Alternate Director of an Independent Director of the Company.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and SEBI Listing Regulations and are independent from the management.

Schedule IV of the Act and SEBI Listing Regulations, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management.

During the financial year, one meeting of independent directors was held on May 16, 2024 and taken the following resolutions.

- Review the performance of non-independent directors and the board of directors as a whole.
- Review the performance of the Chairman of the Company taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company's management and the board that is necessary for the board to effectively and reasonably perform their duties.

K. Disclosure of relationships between the Directors inter-se:

Except as disclosed below, there is no relationship between the Directors inter-se:

(i) Mr. Rajendra Shah is the father of Mr. Pilak Shah and Ms. Hetal Naik;

(ii) Mr. Harish Rangwala is the father of Mr. Vishal Rangwala;

(iii) Mr. Vishal Rangwala is the son of Mr. Harish Rangwala;

(iv) Mr. Pilak Shah is the son of Mr. Rajendra Shah and brother of Ms. Hetal Naik; and

(v) Ms. Hetal Naik is the daughter of Mr. Rajendra Shah and sister of Mr. Pilak Shah

a. Number of shares and convertible instruments held by Non-Executive Directors:

Name of Director	No. of Equity Shares held
Mr. Ramakrishnan Kasinathan	500

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

L. Familiarisation Programmes imparted to Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The Company is also periodically review this programme and make suitable revisions, as may be deemed necessary, from time to time. The details of such familiarization programmes for Independent Directors are available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/boardofdirector.php#

M. Code of Conduct for Directors and Senior Management Personnel:

In terms of Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act, the Board of Directors of the Company has laid down a Code of Conduct for Directors and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chief Executive Officer of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The said declaration for financial year 2024-25 is attached to this report.

N. Code of Conduct for Prohibition of Insider Trading:

In terms of SEBI Listing Regulations as amended from time to time, the Company has formulated and adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information.

All Directors, designated employees/persons and connected persons have affirmed compliance with the code.

III. COMMITTEES OF THE BOARD

The Board has constituted the following 6 (Six) Committees viz:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Management Committee

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings for their perusal and noting.

A. AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The Committee members are having requisite experience in the fields of Finance, Accounts and Management. The Chief Financial Officer, representatives of Internal Auditors and Statutory Auditors are the permanent invitees at the Audit Committee meetings. The Company Secretary acts as the Secretary of the Audit Committee. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

The terms of reference of the Audit Committee, as approved by the Board and as updated time to time by the Board, are as under.

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;

CORPORATE GOVERNANCE REPORT (CONTD.)

v. Compliance with listing and other legal requirements relating to financial statements;

vi. Disclosure of any related party transactions; and

vii. Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
- Reviewing the utilisation of loans and/or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as per applicable law;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and
- Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

CORPORATE GOVERNANCE REPORT (CONTD.)

- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee; and
- Statement of deviations:

  (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

  (b) annual statement of funds utilised for purposes other than those stated in the document/prospectus/ notice in terms of the Listing Regulations.

In addition to the above, the Audit Committee discharges all such other duties and functions generally indicated under the SEBI Listing Regulations, the Act and the Rules made thereunder.

Composition of Audit Committee, Number of Meetings held and Participation at the Meetings during the financial year.

During the financial year, 4 (Four) Audit Committee Meetings were held on May 16, 2024, August 07, 2024, November 11, 2024 and February 13, 2025. The attendance of members at meetings is as under:

Sl. No.	Name of Committee Member	Category	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Kunal Shah	Non-Executive Independent Director	Chairman	4	4
2	Dr. Bhushan Punani	Non-Executive Independent Director	Member	4	4
3	Mr. Ambar Patel	Non-Executive Independent Director	Member	4	4
4	Mr. Rajendra Shah	Executive Non-Independent Director	Member	4	4

B. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

Terms of reference of the Nomination and Remuneration Committee inter alia, include the following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- Performing such other activities as may be delegated by the Board and/or specified/ provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

In addition to the above, Nomination and Remuneration Committee discharges all such other duties and functions generally indicated under the SEBI Listing Regulations, the Act and Rules made thereunder.

Composition of Nomination and Remuneration Committee, Number of Meetings held and Participation at the Meetings during the financial year:

During the financial year, 4 (Four) Nomination and Remuneration Committee meetings were held on May 16, 2024, August 07, 2024, November 11, 2024 and February 13, 2025. The attendance of members at meetings is as under:

Sl. No.	Name of Committee Member	Designation	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Ambar Patel	Non-Executive Independent Director	Chairman	4	4
2	Prof. (Dr.) Neharika Vohra[1]	Non-Executive Independent Director	Member	4	2
2	Mr. Kunal Shah	Non-Executive Independent Director	Member	4	4
3	Ms. Priyanka Agarwal Chopra [2]	Non-Executive Independent Director	Member	4	1

[1] Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director of the Company with effect from November 11, 2024.

[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director of the Company with effect from November 11, 2024.

Evaluation of the Board's Performance:

The Committee evaluate the performance of each Director of the Company as per the Policy for Evaluation of the Performance of the Board of Directors of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed above.

Evaluation of Independent Director is carried on by the entire Board in the same way as it is done for the executive directors of the Company except the Independent Director getting evaluated.

Based on the performance evaluation of each and every Director and the chairman of the Company, the Committee provide the ratings based on each criteria and sub-criteria.

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board decides the appointments, re-appointments and removal of the non-performing Directors of the Company.

Evaluation of the Executive Directors of the Company is carried out by entire Board except the Executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members is held at least once in a year and the Company disclose the criteria laid down by the Committee for performance evaluation on its website for the reference and also in the annual report of the Company.

Remuneration of Directors:

Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and members of the Company, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of each Executive Director.

The Company pays sitting fees of ₹ 20,000 per meeting to its Non-Executive Independent Directors for attending meeting of the Board. The Company also reimburse the out-of-pocket expenses incurred by the Non-Executive Independent Directors for attending the meetings.

The details of sitting fees paid to Non-Executive Independent Directors for the financial year 2024-25 are as under:

Sl. No.	Name of Director	Sitting Fees (Amount in ₹)
1	Mr. Ambar Patel	80,000
2	Dr. Bhushan Punani	80,000
3	Mr. Ramakrishnan Kasinathan	80,000
4	Mr. Kunal Shah	80,000
5	Prof. (Dr.) Neharika Vohra[1]	40,000
6	Ms. Priyanka Agarwal Chopra [2]	20,000

[1] Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director of the Company with effect from November 11, 2024.

[2] Ms. Priyanka Agarwal Chopra is appointed as an Independent Director of the Company with effect from November 11, 2024.

The Company has disclosed the criteria of making payment to Non-Executive Independent Directors and the same is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/boardofdirector.php#

The details of remuneration paid to Executive Directors for the financial year 2024-25 are as under:

Sl. No.	Name of Director	Salary (Amount in ₹)	Commission (Amount in ₹)	Total (Amount in ₹)
1	Mr. Rajendra Shah	40,42,506	30,00,000	70,42,506
2	Mr. Harish Rangwala	40,42,506	70,00,000	1,10,42,506
3	Mr. Vishal Rangwala	73,50,006	1,30,00,000	2,03,50,006
4	Mr. Pilak Shah	73,50,006	1,25,00,000	1,98,50,006
5	Ms. Hetal Naik	41,80,002	45,00,000	86,80,002

Note: The terms of remuneration of Mr. Rajendra Shah, Mr. Harish Rangwala, Mr. Vishal Rangwala, Mr. Pilak Shah and Ms. Hetal Naik has been changed with effect from October 01, 2024. These revisions were duly approved by the Board at their meeting held on May 16, 2024 and by the members of the Company at the Annual General Meeting held on September 16, 2024.

CORPORATE GOVERNANCE REPORT (CONTD.)

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations.

Terms of reference of the Stakeholders' Relationship Committee inter alia, include the following:

- Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- To authorise affixation of common seal of the Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To resolves the concerns or make any communication made in good faith by a Stakeholder to this Committee that discloses or demonstrates information that may evidence unethical or improper activity by an Accused in accordance with Whistle Blower Policy of the Company

  Accused here means a person against or in relation to whom an allegation has been made or evidence gathered during the course of an investigation
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Composition of Stakeholders' Relationship Committee, Number of Meetings held and Participation at the Meetings during the financial year.

During the financial year, 4 (Four) Stakeholders' Relationship Committee meetings were held on May 16, 2024, August 07, 2024, November 11, 2024 and February 13, 2025. The attendance of members at meetings is as under:

Sl. No.	Name of Committee Member	Designation	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Ambar Patel	Non-Executive Independent Director	Chairman	4	4
2	Mr. Ramakrishnan Kasinathan	Non-Executive Independent Director	Member	4	4
3	Mr. Vishal Rangwala	Executive Non-Independent Director	Member	4	4

Name and Designation of Compliance Officer

Name and Contact detail of Compliance Officer:	Mr. Kiran Mohanty Company Secretary & Chief Compliance officer Tel: 91-2717-618200
Email Id for correspondence:	sec@harshaengineers.com
Registered Office:	Sarkhej-Bavla Road, Changodar, Ahmedabad, Sanand-382213, Gujarat, India.

Details of Complaints / Queries received and redressed during April 01, 2024 to March 31, 2025:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
Nil	2	2	Nil

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act and rules made thereunder read with Schedule VII of the Act.

Terms of reference of the Corporate Social Responsibility Committee:

- To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;
- To formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;
- To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;
- To monitor the CSR Policy and its implementation by the Company from time to time;
- To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

Composition of Corporate Social Responsibility Committee, Number of Meetings held and Participation at the Meetings during the financial year.

During the financial year, 2 (Two) Corporate Social Responsibility Committee meeting was held on May 16, 2024 and March 18, 2025. The attendance of members at meeting is as under:

Sl. No.	Name of Committee Member	Designation	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Rajendra Shah	Executive Non-Independent Director	Chairman	2	2
2	Mr. Harish Rangwala	Executive Non-Independent Director	Member	2	2
3	Dr. Bhushan Punani	Non-Executive Independent Director	Member	2	2

E. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted the Risk Management Committee in compliance with the provisions of Regulation 21 of SEBI Listing Regulations. As on March 31, 2025, Risk Management Committee of the Company comprised of six members viz. Mr. Rajendra Shah, Mr. Pilak Shah, Mr Kunal Shah, Mr Ramakrishnan Kasinathan, Mr.Vishal Rangwala and Ms. Hetal Naik and Mr. Rajendra Shah, Executive Director, acts as Chairman of the Committee.

Terms of reference of the Risk Management Committee:

- To formulate a detailed risk management policy which shall include:
  - i. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - iii. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition of Risk Management Committee, Number of Meetings held and Participation at the Meetings during the financial year:

During the financial year, 2 (Two) Risk Management Committee meetings were held on May 01, 2024 and November 11, 2024. The attendance of members at meetings is as under:

Sl. No.	Name of Committee Member	Designation	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Rajendra Shah	Executive Non-Independent Director	Chairman	2	2
2	Mr. Pilak Shah	Executive Non-Independent Director	Member	2	2
3	Mr. Kunal Shah	Non-Executive Independent Director	Member	2	2
4	Mr. Ramakrishnan Kasinathan	Non-Executive Independent Director	Member	2	2
5	Mr. Vishal Rangwala	Executive Non-Independent Director	Member	2	2
6	Ms. Hetal Naik#	Executive Non-Independent Director	Member	2	1

#Ms. Hetal Naik has been appointed as the Member of the Risk Management Committee with effect from May 16, 2024.

F. MANAGEMENT COMMITTEE

The Board of Directors has constituted the Management Committee for the smooth day-to-day functioning of the Company. The committee comprises of 5 Executive Non-Independent Directors.

Role:

The Management Committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/framework. The Committee meets frequently, as and when need arises, to transact matters within the purview of its terms of reference.

CORPORATE GOVERNANCE REPORT (CONTD.)

Composition of Management Committee, Number of Meetings held and Participation at the Meetings during the financial year:

During the financial year, 8 (Eight) Management Committee meetings were held on various dates. The attendance of members at meetings is as under:

Sl. No.	Name of Committee Member	Designation	Position	Number of Meetings Held	Number of Meetings Attended
1	Mr. Rajendra Shah	Executive Non-Independent Director	Chairman	8	8
2	Mr. Harish Rangwala	Executive Non-Independent Director	Member	8	8
3	Mr. Vishal Rangwala	Executive Non-Independent Director	Member	8	8
4	Mr. Pilak Shah	Executive Non-Independent Director	Member	8	8
5	Ms. Hetal Naik	Executive Non-Independent Director	Member	8	7

IV. INFORMATION OF GENERAL BODY MEETINGS

A. The last three Annual General Meetings (AGM) were held as under:

Financial Year	Day, Date and Time	Meeting Venue	Details of Special Resolution
2023-24	Monday, September 16, 2024 at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	1. Re-appointment of Mr. Rajendra Shah (DIN: 00061922) as a Chairman & Whole-time Director of the Company for the period of five years with effect from December 25, 2024. 2. Re-appointment of Mr. Harish Rangwala (DIN: 00278062) as a Managing Director of the Company for the period of five years with effect from December 25, 2024.
2022-23	Thursday, September 28, 2023 at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	-
2021-22	Monday, July 18, 2022 at 10.00 a.m.	Registered Office of the Company	1. Approval for payment of Commission to the Directors of the Company for the financial year ending on March 31, 2022 2. Approval pursuant to Section 185 of the Companies Act, 2013

B. The last three Extra Ordinary General Meeting were held as under:

Financial Year	Day, Date and Time	Meeting Venue	Details of Special Resolution
2021-22	Tuesday, January 11, 2022 at 10:00 a.m.	Registered Office of the Company	1. Appointment of Mr. Ambar Patel (DIN:00050042), as an Independent Director of the Company 2. Appointment of Dr. Bhushan Punani (DIN:00119874), as an Independent Director of the Company 3. Appointment of Mr. Kunal Shah (DIN:02087152), as an Independent Director of the Company 4. Appointment of Prof. (Dr.) Neharika Vohra (DIN:06808439), as an Independent Director of the Company 5. Appointment of Mr. Ramakrishnan Kasinathan (DIN:09461806), as an Independent Director of the Company

CORPORATE GOVERNANCE REPORT (CONTD.)

Financial Year	Day, Date and Time	Meeting Venue	Details of Special Resolution
			6. Initial Public Offer of Equity Shares 7. Alteration of the Memorandum of Association of the Company 8. Adoption of new Articles of Association 9. Increase in Authorised Share Capital 10. Increase in investment limits for Non-Resident Indians and overseas citizens of India
2021-22	Saturday, August 14, 2021 at 10:00 a.m.	Registered Office of the Company	1. Appointment of M/s Pankaj R. Shah & Associates, Chartered Accountants (FRN:107361W), as Statutory Auditor of the Company
2019-20	Wednesday, September 25, 2019 at 11.00 a.m.	Registered Office of the Company	1. Alteration of the Memorandum of Association of the Company 2. Increase in the Authorised Share Capital

C. Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

i. Procedure for the Postal ballot:

- During the financial year, the Company has passed Special Resolution through Postal Ballot for approval of members for appointment of **Ms. Priyanka Agarwal Chopra (DIN:10011547)** as a Non-Executive Independent Director of the Company.
- In accordance with the Circulars issued by Ministry of Corporate affairs, the Postal Ballot Notice dated December 23, 2024, was sent only through electronic mode to those Members whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, December 20, 2024 ('cut-off date') and whose e-mail addresses are registered with the Company/ Depository Participants ('DP')/ Depository/ Registrar & Share Transfer Agent of the Company. The said Notice is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/sharholder-information.php
- The Company provided electronic voting facility to all its members in compliance with Regulation 44 of SEBI Listing Regulations and as per the provisions of Sections 108 and 110 of the Act, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, read with the General Circulars issued by the Ministry of Corporate affairs.
- The Company engaged the services of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), Registrar and Share Transfer Agents (RTA) of the Company for providing e-voting facility to enable the Members to cast their votes electronically.
- The Board had appointed M/s Chirag Shah & Associates, Practicing Company Secretaries (Membership No.: F5545; C.P. No.: 3498), as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner.
- Members exercised their vote(s) by e-voting during the period from 09:00 a.m. (IST) on Friday, December 27, 2024 till 05:00 p.m. (IST) on Saturday, January 25, 2025.
- The Scrutiniser, after the completion of scrutiny, submitted his report to Mr. Kiran Mohanty, Company Secretary & Chief Compliance Officer, who was duly authorized to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard-2 issued by the Institute of Company Secretaries of India.
- The result was declared on January 28, 2025 and communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE). The same and is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/sharholder-information.php
- The summary of voting result is given below:

Votes in favour of the Resolution		Votes in against the Resolution		Abstained Votes	Result
No. of Shares for which votes Cast	% of total no. of valid votes cast	No. of Shares for which votes Cast	% of total no. of valid votes cast	No. of Shares for which votes Cast	
8,16,98,695	99.9984%	1318	0.0016%	0	Resolution was duly passed on Saturday, January 25, 2025 with requisite majority

ii. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Integrated Annual Report. However, if required, the same shall be passed in compliance of provisions of the Act, SEBI Listing Regulations or any other applicable laws.

D. Means of Communications:

The quarterly, half - yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of SEBI Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in 'Business Standard' (English) and 'Jai Hind' (Gujarati) newspapers and is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/stockexchange-compliance.php#. The press releases, investor presentations and transcript of post result analyst and investor's conference call are available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/financial-information.php.

E. General Shareholder Information:

a. Annual General Meeting:

Date	September 12 , 2025
Time	11.00 a.m.
Venue	Through Video Conferencing / Other Audio Visual Means

For details, please refer to the notice of the AGM.

In accordance with Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at the ensuing AGM are given in the Annexure to the notice of the AGM.

F. Financial Calendar:

The financial year of the Company is for a period of 12 months from 1st April to 31st March.

Quarterly results and Limited Review for the quarter ending June 30, 2024	Within 45 days of the end of the quarter
Quarterly/Half-yearly results and Limited Review for the quarter ending September 30, 2024	
Quarterly/Nine-months results and Limited Review for the quarter ending December 31, 2024	
Quarterly/Yearly results and audit report for the financial year ending March 31, 2025	Within 60 days of the end of the financial year

G. Date of Book Closure/Record Date: As mentioned in the Notice of ensuing AGM.

H. Dividend payment Date: As mentioned in the Notice of ensuing AGM.

CORPORATE GOVERNANCE REPORT (CONTD.)

I. List of Stock Exchanges:

Equity Shares of the Company are listed on the following stock exchanges:

Name of the Stock Exchange	Address
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	Exchange Plaza, C-l, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

The Company has paid Annual Listing Fees for the financial years 2024-25 and 2025-26 to both stock Exchanges.

J. Registrar and Transfer Agent:

MUFG INTIME INDIA PRIVATE LIMITED (Formerly known as Link Intime India Private Limited)

5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre,
Near St. Xavier's College Corner, Off C.G. Road, Ellisbridge, Ahmedabad-380009.
Tel. No.: +91 79 26465179/ 86/ 87
E-mail id: ahmedabad@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

K. Share Transfer System:

Delegation of Share Transfer Formalities:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

During the financial year, the Company had obtained, on yearly basis, a certificate, from a Company Secretary in Practice, certifying that no share certificate transfer request has been processed in view of restriction on processing transfer in physical mode pursuant to clause 40(1) of the SEBI Listing Regulations. Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, certificates have been received from a Company Secretary in Practice for timely dematerialisation of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

L. Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

M. Category wise shareholding as on March 31, 2025:

Category	Number of Shares	% of Shareholding
Clearing Members	685	0.0008
Other Bodies Corporate	47,31,502	5.1969
Hindu Undivided Family	3,48,060	0.3823
Mutual Funds	77,03,385	8.4612
Non Resident Indians	1,84,696	0.2029

CORPORATE GOVERNANCE REPORT (CONTD.)

Category	Number of Shares	% of Shareholding
Non Resident (Non Repatriable)	3,40,274	0.3737
Office Bearers	19,094	0.0210
Public	90,79,661	9.9728
Trusts	423	0.0005
Promoters / Directors	3,80,93,864	41.8411
Relatives Of Promoters	2,64,35,158	29.0356
Independent Director	500	0.0005
Promoter - Trust	33,97,611	3.7318
Insurance Companies	21,198	0.0233
NBFCs registered with RBI	50	0.0001
Body Corporate - Ltd Liability Partnership	48,126	0.0529
FPI (Corporate) - I	4,90,299	0.5385
Alternate Investment Funds - III	1,47,968	0.1625
Key Managerial Personnel	1,546	0.0017
FPI (Corporate) – II	5	0.0000
Total	**9,10,44,105**	**100.0000**

N. Distribution of Shareholding as on March 31, 2025:

Shares Range	Number of Shareholder	% of total Shareholders	No. of Shares	% of Issued Capital
1 to 500	75,726	97.02	47,91,418	5.26
501 to 1,000	1519	1.95	10,76,743	1.18
1,001 to 2,000	423	0.54	6,09,525	0.67
2,001 to 3,000	131	0.17	3,28,768	0.36
3,001 to 4,000	53	0.07	1,86,131	0.20
4,001 to 5,000	62	0.08	2,93,860	0.32
5,001 to 10,000	55	0.07	4,11,656	0.45
10,001 to **********	81	0.10	8,33,46,004	91.54
	78,050	**100.00**	**9,10,44,105**	**100.00**

O. Dematerialisation of Shares and Liquidity:

Demat ISIN: Equity Shares fully paid: INE0JUS01029

The Shares of the Company are compulsorily traded in **Demat** form at the stock exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2025, 99.9999978% of the total equity share capital of the Company are in Dematerialized form. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

Norms for furnishing of PAN, KYC, Bank details and Nomination:

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated the listed companies to have PAN, Contact details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code), Specimen Signature and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the above cited details / documents are not available with the Company on or after October 01, 2023, shall be frozen as per the aforesaid SEBI circular. The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid intimation on May 12, 2023. In respect of shareholders who hold shares in the dematerialized form and wish to update their above mentioned details are requested to contact their respective Depository Participants.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

During the financial year 2024-25, the Company has not issued Global Depository Receipts (GDR) or American Depository Receipts (ADR) or Warrants or any Convertible Instruments.

P. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2025.

There has been no revision in credit ratings of the Company during the financial year ended March 31, 2025, details of which are as under:

Credit Rating Agency	Facilities/ Instruments	Existing Ratings	New Ratings	Rating Action	Amount (₹ crores)
CARE Ratings Limited	Long term / Short term Bank Facilities	CARE AA-; Stable / CARE A1+	CARE AA-; Stable / CARE A1+	Reaffirmed by CARE Rating Limited	431.32 (Reduced from 483.87)

Q. Commodity price risk or foreign exchange risk and hedging activities:

The Company has adequate risk management framework including for commodities as well as foreign exchange. The foreign exchange risk is managed through the hedging strategy of the Company which is reviewed periodically. The Company does not have material exposure for any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of circular of SEBI dated November 15, 2018.

R. Plant locations:

Registered Office/ Corporate Office/ Changodar Facility

Sarkhej-Bavla Road, Changodar, Ahmedabad,
Sanand-382213, Gujarat, India.
Tel. : 91-2717-618200, Fax. : 91-2717-618259
Email-Id : sec@harshaengineers.com
Website : www.harshaengineers.com
CIN : L29307GJ2010PLC063233

Moraiya Facility

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

S. Address for correspondence:

Members may correspond with the Company at the Registered Office of the Company or at the office of Registrar and Transfer Agent of the Company:

Harsha Engineers International Limited

Sarkhej-Bavla Road, Changodar, Ahmedabad,
Sanand-382213, Gujarat, India.
Tel. : 91-2717-618200, Fax. : 91-2717-618259
Email-Id : sec@harshaengineers.com
Website : www.harshaengineers.com
CIN : L29307GJ2010PLC063233

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C.G. Road, Ellisbridge, Ahmedabad-380009.
Tel. No. : +91 79 26465179/ 86/ 87
E-mail id: ahmedabad@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

T. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund ("IEPF"). The IEPF Rules mandate companies to transfer shares of members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The members whose dividend and/or shares are transferred to the IEPF Authority can claim their dividend and/or shares from the Authority.

There are no unclaimed dividends that have remained unclaimed for seven years from the date of declaration, which are required to be transferred to the IEPF under the provisions of Section 124 of the Act read with the IEPF Rules, as amended.

V. OTHER DISCLOSURE

A. All transactions entered into by the Company with related parties as defined under the Act and SEBI Listing Regulations, during the financial year 2024-25 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. Transactions with related parties are disclosed in "Notes forming part of the Accounts" annexed to the financial statements for the financial year. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosure as required by the Indian Accounting Standard-24 (Ind AS 24) is forming part of this Annual Report. The policy on dealing with related party transactions is available on website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php.

B. The Company has been in compliance with all applicable regulations and directives of the stock exchanges, SEBI, and other statutory authorities, ensuring conformity with the regulatory provisions in letter and spirit, and has maintained strict confidentiality of client information, as required under the Securities Contracts (Regulation) Act, 1956, and the SEBI Listing Regulations. No penalty or strictures were imposed on the Company by any of these authorities.

C. Vigil Mechanism/Whistle Blower Policy:

Pursuant to the provisions of the Act and rules made thereunder and SEBI Listing Regulations, 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.

The objective of this Policy to establish a vigil mechanism for directors and employees to report their genuine concerns and grievances. The vigil mechanism is required to provide adequate safeguards against victimization of employees and directors who avail the vigil mechanism and to provide direct access to the Chairperson of Audit Committee in appropriate cases. The Whistle Blower Policy is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php

Reporting Complaints:

According to the policy, any stakeholder may report Protected Disclosures to the Whistleblower Review Committee using the following link: https://www.harshaengineers.com/whistle-blowing-system.php

In the event of a Protected Disclosure concerning any Director, any stakeholder may report the Protected Disclosure to the Chairperson of the Audit Committee of the Company using the provided link. Alternatively, stakeholders can submit a written report to the address below, providing detailed and comprehensive information along with any supporting documents :

Chairperson of the Audit Committee
Harsha Engineers International Limited
Sarkhej - Bavla Road, Changodar, Ahmedabad,
Sanand, Gujarat, India, 382213.

D. The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI Listing Regulations and the same is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php. During the year ended March 31, 2025, the Company have one (1) material unlisted subsidiary Company namely Harsha Engineers Europe SRL as defined in Regulation 16 of the SEBI Listing Regulations.

E. There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

F. Certification from Company Secretary in Practice:

A certificate obtained from M/s. Chirag Shah & Associates, Company Secretary in Practice that none of the Directors on the Board of the Company for the financial year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. The said certificate is annexed and forms a part of the Annual Report.

G. In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the financial year, it has accepted all recommendations received from its mandatory committees.

H. The Company has followed all relevant Accounting Standards notified by The Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for financial year 2024-25.

I. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.

J. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

K. M/s Pankaj R. Shah & Associates, Chartered Accountants (FRN:107361W) has been appointed as Statutory Auditors of the Company. During the Financial Year 2024-25, the total fees for all services paid by the Company, on consolidated basis, to Statutory Auditors was ₹ 17 lakhs.

L. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year 2024-25:	Nil
Number of complaints disposed of during the financial year 2024-25:	Nil
Number of complaints pending as on end of the financial year 2024-25:	Nil

M. **Loans and Advances:** During the financial year, the Company has not given any loans and advances to firms/companies in which directors are interested with the exception of an intercorporate deposit made with Harsha Engineers Advantek Limited, a wholly owned subsidiary of the Company, the details of which are provided in the notes to the Financial Statements.

N. **Details of Compliance:** The Company has complied with all the mandatory requirements as stipulated under SEBI Listing Regulations.

O. **The Board:** The Chairman of the Company is Executive Non Independent Director.

P. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers and are available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/financial-information.php# and same are not being sent to the shareholders.

Q. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.

R. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Rajendra Shah is the Chairman and Mr. Vishal Rangwala is Chief Executive Officer (CEO) of the Company.

S. **Reporting of Internal Auditor:** The Internal Auditors report to the Audit Committee.

T. **CEO/CFO Certification:**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of SEBI Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

U. **Certificate on Corporate Governance**

A compliance certificate from M/s. Chirag Shah & Associates, Company Secretary in Practice pursuant to the requirements of Schedule V of SEBI Listing Regulations regarding compliance of conditions of Corporate Governance is attached to this Annual Report.

V. **Particulars of Senior Management Personnel**

The particulars of senior management as of March 31, 2025, are as follows:

Sl. No.	Name of Director	Designation
1	Mr. Shaji Jacob[1]	Senior Vice President (Head-Engineering, Tool Room & Technology)
2	Mr. Hemant Sharma	Senior Vice President (Brass SBU)
3	Mr. Maulik Jasani	Vice President - Finance & Group CFO
4	Mr. Anand Bhardwaj	Senior General Manager (Marketing)
5	Mr. Sanjaykumar Korke	Senior General Manager (Engineering)
6	Mr. Jinan Shah	Senior General Manager (Purchase)
7	Mr. Madhusudana Krishnaswamy[2]	General Manager (Stamping SBU)
8	Mr. Rajesh Nirmal	General Manager (Logistics & Commercial)
9	Mr. Darpesh Parmar	General Manager (Human Resource)
10	Mr. Jayeshkumar Tank	General Manager (Information Technology)
11	Mr. Hemant Shah	Deputy General Manager (Admin)
12	Mr. Kiran Mohanty	Company Secretary & Chief Compliance Officer
13	Mr. Falgun Shah	Senior General Manager (Finance & Accounts) - Solar EPC Division
14	Mr. Hitesh Gadhvi	General Manager (Business Development) - Solar EPC Division
15	Mr. Mayur Patel[3]	Senior General Manager (Head-Steel SBU)
16	Mr. Lokesh Miglani[4]	Senior General Manager (Head-Brass SBU)
17	Mr. Chetan Prabhu[5]	Head Project Management

[1]Designation of Mr. Shaji Jacob has been changed from Senior Vice President (Steel SBU) to Senior Vice President (Head-Engineering, Tool Room & Technology) with effect from March 01, 2025.
[2]Mr. Madhusudana Krishnaswamy has resigned with effect from February 28, 2025.
[3]Mr. Mayur Patel is designated as the Senior Management of the Company with effect from March 01, 2025.
[4]Mr. Lokesh Miglani is designated as the Senior Management of the Company with effect from March 01, 2025.
[5]Mr. Chetan Prabhu is designated as the Senior Management of the Company with effect from August 07, 2024.

The above Report was placed before the Board at its meeting held on May 08, 2025 and the same was approved.

For and on behalf of the Board of Directors

Rajendra Shah
Chairman & Whole-time Director
DIN:00061922

Place: Ahmedabad
Date: May 08, 2025

CEO / CFO CERTIFICATE

(Regulation 17(8) and Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
The HARSHA ENGINEERS INTERNATIONAL LIMITED
Ahmedabad

Dear Sir,

We, the undersigned, in our respective capacities as the Chief Executive Officer and Chief Financial officer of The HARSHA ENGINEERS INTERNATIONAL LIMITED ("the Company") to the best of our knowledge and belief certify that:

A. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2025 and based on our knowledge and belief, we state that:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated, based on our evaluation, wherever applicable, to the Auditors' and the Audit Committee:

   (1) significant changes in internal control over financial reporting during the year, if any;

   (2) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Ahmedabad	**Vishal Rangwala**	**Maulik Jasani**
Date: May 08, 2025	**Chief Executive Officer**	**Chief Financial Officer**

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the website of the Company at https://www.harshaengineers.com/InvestorRelations/company-policies.php.

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2025.

For Harsha Engineers International Limited

Place: Ahmedabad	**Vishal Rangwala**
Date: May 08, 2025	**CEO and Whole Time Director**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Harsha Engineers International Limited
Sarkhej - Bavla Road, Changodar,
Ahmedabad, Sanand, Gujarat, India, 382213

We have examined the compliance of conditions of Corporate Governance by **Harsha Engineers International Limited** ("the Company") for period from **April 01, 2024 to March 31, 2025** as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the Efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN: F005545G000298519
Peer Review Cert. No.6543/2025

Place: Ahmedabad
Date: May 08, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Harsha Engineers International Limited
Sarkhej - Bavla Road, Changodar,
Ahmedabad, Sanand, Gujarat, India, 382213

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Harsha Engineers International Limited** having CIN L29307GJ2010PLC063233 and having registered office at Sarkhej - Bavla Road, Changodar, Ahmedabad, Sanand, Gujarat, India, 382213. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Rajendra Shantilal Shah	00061922	May 06, 2011
2.	Mr. Harish Ranjit Rangwala	00278062	December 11, 2010
3.	Mr. Vishal Harish Rangwala	02452416	August 12, 2021
4.	Mr. Pilak Rajendra Shah	00407960	February 05, 2016
5.	Ms. Hetal Manish Naik	01990172	August 12, 2021
6.	Mr. Ambar Jayantilal Patel	00050042	January 10, 2022
7.	Mr. Bhushan Chelaram Punani	00119874	January 10, 2022
8.	Mr. Kunal Dilipbhai Shah	02087152	January 10, 2022
9.	Ms. Priyanka Agarwal Chopra	10011547	November 11, 2024
10.	Mr. Ramakrishnan Kasinathan	09461806	January 10, 2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah and Associates

CS Chirag Shah
Partner
Membership No.: 5545
C. P. No.: 3498
UDIN: F005545G000298409
Peer Review Cert. No. 6543/2025

Place: Ahmedabad
Date: May 08, 2025

INDEPENDENT ASSURANCE ON VERIFICATION OF SUSTAINABILITY INFORMATION

Growlity/AR/2425-74

Reporting Period - April 01, 2024 to March 31, 2025

The Management and Board of Directors
Harsha Engineers International Limited.
Sarkhej-Bavla Road, P.O. Changodar, Ahmedabad – 382213

Independent Assurance Report

Growlity, Inc. (hereinafter referred to as "The Service Provider" or "Growlity") have been engaged by by Harsha Engineers International Limited. (hereinafter referred to as "The Company") to conduct a limited assurance engagement on the sustainability information presented in the Company's Annual Sustainability Report (hereinafter referred to as "ASR") for the specified reporting period. This critical task involved a thorough examination to verify the accuracy and reliability of the sustainability data disclosed in the report. The sustainability information provided within the report adheres to the comprehensive guidelines set forth by the Global Reporting Initiative's (hereinafter referred to as "GRI") Universal Standards 2021, ensuring that the reported data aligns with globally recognized sustainability reporting frameworks. This engagement by Growlity underscores the Company's commitment to transparency and accountability in its sustainability practices, highlighting its dedication to adhering to international principles for reporting on its Environmental, Social, and Governance (hereinafter referred as "ESG") initiatives.

Assurance Standard

The verification engagement has been planned and performed in accordance with the verification methodology developed by Growlity, which is based upon the **"AA1000 Assurance Standard (AA1000AS v3)".**

Scope of Assurance and Methodology

The verification was conducted to provide limited assurance conclusion on select non-financial sustainability disclosures whether the sustainability information the mentioned reporting period and to verify its alignment with reference to GRI Universal Standards 2021. We conducted, on a sample basis, review and verification of data collection / calculation methodology and general review of the logic on inclusion / omission of necessary relevant information / data and this was limited to:

- Onsite and remote verification of data, on a selective test basis, for the following units / locations, through consultations with the site team and ESG committee members of the company:
  1. Changodar Unit 1 (Ahmedabad, Gujarat, India)
  2. Moraiya Unit 2 (Ahmedabad, Gujarat, India)
- Execution of audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Review of company's plans, policies and practices, pertaining to their Environmental, Social & Governance Strategy, so as to be able to make comments on the fairness of sustainability reporting or disclosures.
- Review of company's approach towards materiality assessment disclosed in the report to identify relevant issues.
- Review of company's disclosures related to Business Responsibility & Sustainability Reporting (BRSR) Disclosures to SEBI, India for FY 2024-25.

Company's Accountability

The ESG Committee Representative at the company is responsible for preparing the ASR that is free from material misstatement in reference with the GRI and for the information contained therein. This entails specifically choosing and applying suitable methodologies for sustainability reporting, gathering and organizing data, and making well-founded assumptions or estimates as needed. Additionally, these representatives must ensure the implementation of adequate internal controls to facilitate the development of a sustainability report devoid of any significant errors, whether deliberate or accidental. The ESG Committee Representatives at the company are also responsible for preparing the designed report using graphics and relevant and responsible content.

Our Observations

The Company has demonstrated its commitment to sustainable development by reporting its performance on various material topics for FY 2024-2025. The Company has prepared report having sustainability information with reference to GRI Universal Standards 2021. The ASR includes a description of the Company's stakeholder engagement process, materiality assessment and relevant performance disclosures on the identified material topics. There is further scope to strengthen data/information management system to ensure uniform and accurate reporting or disclosures. Areas of further improvement wherever identified have been brought before the attention of the management & ESG Committee representatives of the company. These observations do not affect our conclusion presented in this statement.

Guidelines for Utilization of This Statement

The Company is obligated to replicate the Growlity's Independent Assurance statement along with any attachments in their entirety, ensuring no alterations, deletions, or supplements are made.

This statement is specifically designed to convey the outcomes of the commissioned evaluation to the Company, defining the boundaries of the engagement. It is important to note that Growlity has not taken into account the potential interests of any third parties regarding the chosen sustainability information, this assurance report, or the conclusions drawn by Growlity. Consequently, nothing within the scope of this engagement or statement grants any third-party entities any form of rights or entitlements.

Limitations

The assurance engagement outlined herein does not encompass the following areas:

1. Our assurance does not cover any data or information pertaining to the financial performance of the Company.
2. Our role is strictly limited to providing assurance services as detailed in this letter. We will not undertake any management functions or make decisions on behalf of the Company. It is the responsibility of the Company's management to make all decisions, including those related to the acceptance and implementation of our services.
3. Any data or information that falls outside the specified reporting period is not covered by our assurance scope.
4. Our assurance is limited to the operations and locations explicitly mentioned within the defined Assurance Boundary. Any data or information pertaining to operations outside of this boundary is excluded, unless specifically stated otherwise in this report.
5. The Company's statements expressing opinions, beliefs, aspirations, expectations, or future intentions, as well as assertions related to Intellectual Property rights and competitive matters, are beyond the scope of our assurance.
6. We do not cover the Company's strategy and any related disclosures expressed in the report.
7. Our assurance does not extend to the mapping of the report with any reporting frameworks other than those specified above.

Our Assurance Team and independence:

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, Growlity is required to comply with the independence requirements set out in **"AA1000 Assurance Standard (AA1000AS v3)".** Growlity's independence policies and procedures ensure compliance with this standard.

Conclusion

On the basis of our procedure for this limited assurance, nothing has come to our attention that causes us not to believe that the company has reported on material sustainability issues relevant to its business.

Dr. Nitin Dumasia
President & CEO
Date: August 18th, 2025
Place: USA

AA1000
Licensed Assurance Provider
000-607

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I: Details of the listed entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L29307GJ2010PLC063233	
2	**Name of the Listed Entity**	HARSHA ENGINEERS INTERNATIONAL LIMITED	
3	**Year of incorporation**	December 11, 2010	
4	**Registered office address**	Sarkhej - Bavla Road, Changodar, Ahmedabad, Sanand-382213, Gujarat, India.	
5	**Corporate address**	Sarkhej - Bavla Road, Changodar, Ahmedabad, Sanand-382213, Gujarat, India.	
6	**E-mail**	sec@harshaengineers.com	
7	**Telephone**	91-2717-618200	
8	**Website**	https://www.harshaengineers.com	
9	**Financial year for which reporting is being done**	2024-25	
		Start date	**End date**
	Current Financial Year	April 1, 2024	March 31, 2025
	Previous Financial Year	April 1, 2023	March 31, 2024
	Prior to Previous Financial year	April 1, 2022	March 31, 2023
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited and the National Stock Exchange of India Limited	
11	**Paid-up Capital (In Rs)**	91,04,41,050	
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**		
	Name of the Person	Kiran Mohanty	
	Telephone	91-2717-618200	
	Email address	sec@harshaengineers.com	
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together**	Standalone Basis	
14	**Name of assurance provider**	Growlity Inc.	
15	**Type of assurance obtained**	Limited assurance	

II: Products/services

16. Details of business activities *(accounting for 90% of the turnover)*:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	87.26
2	Electricity, gas, steam & air condition supply	Electric power generation, transmission & distribution	12.74

17. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*:

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Bearing cages, Brass Casting and Automotive Components	28140	87.26
2	EPC and O & M of Solar Power Plant	42201	12.74

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

III: Operations

18. Number of locations where plants & operations/offices of the entity are situated:

Location	Number of plants^	Number of offices*	Total
National	2	1	3
International	0	0	0

^ The Company has Solar Plants and Windmills which has not been considered as plants.

* The Company has more than 15 warehouses which has not been considered.

19. Markets served by the entity:

A. Number of locations:

Location	Number
National (No. of States)	10
International (No. of Countries)	31

B. What is the contribution of exports as a percentage of the total turnover of the entity?

- 37.68%

C. A brief on types of customers

- The Company supplies products to several businesses both domestic and international. The Company primarily caters to international bearing manufacturers.

IV: Employees

20. Details as at the end of Financial Year:

A: Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	562	536	95.37%	26	4.63%
2.	Other than Permanent (E)	18	18	100.00%	0	0.00%
3.	**Total employees (D + E)**	**580**	**554**	**95.52%**	**26**	**4.48%**
	WORKERS					
4.	Permanent (F)	1084	1067	98.43%	17	1.57%
5.	Other than Permanent (G)	1596	1524	95.49%	72	4.51%
6.	**Total workers (F + G)**	**2680**	**2591**	**96.68%**	**89**	**3.32%**

B: Differently abled Employees and workers:

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100.00%**	**0**	**0.00%**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	11	11	100.00%	0	0.00%
5.	Other than Permanent(G)	0	0	0.00%	0	0.00%
6.	**Total differently abled employees (F + G)**	**11**	**11**	**100.00%**	**0**	**0.00%**

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21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.00%
Key Management Personnel	7	1	14.29%

22. Turnover rate for permanent employees and workers

	Turnover rate in current financial year 2024-25			Turnover rate in previous financial year 2023-24			Turnover rate in the year prior to the previous financial year 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.72%	4.35%	14.32%	13.00%	12.00%	13.00%	11.00%	27.00%	11.00%
Permanent Workers	10.39%	5.31%	10.32%	9.00%	0.00%	9.00%	9.00%	30.00%	9.00%

V : Holding, Subsidiary and Associate Companies (Including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Harsha Precision Bearing Components (China) Co., Limited	Subsidiary	100.00%	No
2	Harsha Engineers Europe SRL	Subsidiary	100.00%	No
3	Harsha Engineers Advantek Limited	Subsidiary	100.00%	No
4	Cleanmax Harsha Solar LLP	Joint Venture	50.00%	No

VI : CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)
    - Yes

    (ii) Turnover (in ₹): 10,89,30,44,292

    (iii) Net worth (in ₹) : 12,70,58,26,709

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VII : Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for grievance redress policy	(2024-25)			(2023-24)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholder) *	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders*	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	2	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	59	6	All pending complaints are responded within 14 days of the receipt of the complaints.	0.13 (PPM** sales)	Nil	Nil
Value Chain Partners	Yes, https://www.harshaengineers.com/InvestorRelations/company-policies.php	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	NA	Nil	Nil	Nil	Nil	Nil	Nil

* Investor complaints also include shareholder complaints.

**PPM: Part Per million

Overview of the Company material responsible business conduct issues

26. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or Negative implications)
ESG-Aligned Supply Chain Management	Risk & Opportunity	**R:** While core ESG frameworks are now established at our company, Tier-2 and Tier-3 vendors may still face alignment gaps. **O:** ESG expectations from OEM clients and regulators increasingly extend to supplier networks.	Our Company has rolled out a Supplier Business Integrity Policy, initiated ESG compliance verification and conducted supplier-level assessments. Further capacity building is planned in 2025-26	**Positive**: For export eligibility and reputation. **Negative**: If unmanaged non-compliance results in client rejection or audit issues.
Customer Performance	Risk	**R:** Poor customer performance reflects failing to meet customer expectations on ESG issues (e.g., product safety, ethical sourcing) leading to reputation damage, regulatory fines, and lost sales.	Strengthen supply chain transparency, ensure compliance with standards, and engage customers on sustainability efforts to maintain trust.	**Negative**: Loss of sales and market share, legal liabilities related to product failures, and brand damage affecting long-term revenues.
Diversity & Inclusion	Risk & Opportunity	**R:** Risk if lacking diversity leads to legal/ regulatory issues, low employee morale, and reputational harm **O:** Our Company believes that diversity & inclusion at workplace will invite people with multiple skill sets and mind sets and we value multicultural experiences and diversity of our employees and consider this the organization's strength.	Focus is on improving diversity at all levels in the organization and welcoming diversified workforce.	**Positive**: Enhanced innovation, talent attraction, brand enhancement, and market performance. **Negative**: Increased turnover costs, potential lawsuits, diminished brand.
Data Security and Data Protection (IT Security)	Risk	**R:** Data breaches and failures in data protection can result in legal penalties, loss of customer trust, and reputational damage especially with Cyber-attacks pose a threat to data privacy of organization and employees.	Adopt robust cybersecurity frameworks. Already obtained TISAX label. Implement encryption. Regular training amongst employees for awareness is going on. Procedures and other IT security specifications supplement our information security regulations.	**Negative**: Regulatory fines, breach remediation costs, lost customers/ data, and reputational harm leading to financial loss.

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Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or Negative implications)
Occupational Health & Safety	Risk & Opportunity	**R:** Due to noise, high temperatures, production environments, workers face safety risks that may impact health, morale, operations. Poor health and safety management can lead to accidents, legal penalties, reputation damage, and operational disruptions. **O:** Our Company strongly focusing on safety and align with the growing market demand for safety.	Our Company has implemented ISO 45001, rigorous PPE protocols, and safety audits. Ergonomic assessments and predictive safety systems are being scaled.	**Positive:** Enhanced brand positioning as the preferred choice for safety aware customers and partners. Also, productivity gains and lower turnover. **Negative:** In case of disruptions, medical incidents, or penalties. Costs from accidents, fines, insurance.
Energy and Emissions Management	Risk & Opportunity	**R:** Global compliance trends, client audits, and emissions norms require proactive decarbonization. **O:** Efficient energy use also reduces the overall energy demand.	Renewable energy generation are already in place. Plans include internal carbon pricing, SBTi alignment, and Scope 3 mapping.	**Positive**: Renewable energy use for manufacturing process. **Negative:** If unaddressed CBAM leads to financial penalties.
Water & Wastewater Management	Risk & Opportunity	**R:** Poor water governance may lead to compliance risks or reputational harm. **O:** Effective water management reduces water footprint. For sustenance of the global scenario the organization should have the water positive system.	Rainwater harvesting, and is working on monitoring of water metering.	**Positive:** Partial Water neutral **Negative:** If non-compliance or scarcity affects operations.
Compliance and Transparency	Risk & Opportunity	**R:** Evolving ESG-related regulations demand accurate, timely disclosures. Gaps in data or transparency may result in regulatory or reputational risk. **O:** Transparency drives investor confidence and market credibility.	Regular monitoring of regulatory frameworks, ESG data system enhancement, and board-level compliance oversight are in place.	**Positive:** Enhanced capital access, improved stakeholder trust, long-term viability. **Negative**: Fines, legal costs, loss of market access, poor ratings.

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Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or Negative implications)
Product Lifecycle Management	Risk & Opportunity	**R:** Products with high environmental impact face market rejection, regulatory restrictions, and competitive disadvantage. **O:** Clients increasingly assess the carbon and environmental footprint of supplied products. Lifecycle based innovation opens access to premium markets.	Lifecycle assessments are being piloted. Eco-design integration, PCF tracking, and CBAM aligned reporting are being scaled.	**Positive:** Supports export growth and brand trust, Cost saving. **Negative:** Competitive disadvantage, Costs from recalls, waste disposal, regulatory compliance.
Employee Learning & Development	Opportunity	**O:** A skilled and engaged workforce improves productivity and innovation. Upskilling and inclusive growth also support retention and workplace satisfaction.	Technical and ESG training modules are in place. Plans for ESG literacy, skill mapping, and ergonomic improvement are being rolled out.	**Positive:** Long term value through improved capability and reduced turnover, increased productivity.
Corporate Governance	Opportunity	**O:** Strong governance ensures ethical practices, regulatory compliance, and stakeholder trust. It reduces exposure to integrity-related risks and enhances decision-making.	Governance systems are board-approved. ESG Committee meets periodically. Conflict of interest and anti-bribery policies are in force.	**Positive:** Improved investor and partner confidence, improved risk management and sustainable growth.

Note: Details about the materiality procedure and all the material topics can be found in ESG section of our Company's Annual Sustainability Report and Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	1. Code of Conduct for Directors & Senior Management Personnel, P1, P7 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 2. Code of Conduct Policy, P1, P7 (available on intranet) 3. Whistle Blower Policy, P1 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 4. Risk Management Policy, P2 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 5. Corporate Social Responsibility Policy, P8 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 6. Code for Fair Disclosures, P4 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 7. Sexual Harassment Policy, P3, P5 (available on intranet) 8. Forced Labour Policy, P3, P5 (available on intranet) 9. Mobile Phone Usage Policy, P9 (available on intranet) 10. Supplier Business Integrity Policy, P1, P5, P6 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 11. Policy on Child Labour, P3, P5 (available on intranet) 12. Dividend Distribution Policy, P4 (https://www.harshaengineers.com/InvestorRelations/company-policies.php) 13. Workplace Discipline Policy, P1, P9 (available on intranet) 14. Human Rights and Working Condition Policy, P5 (available on intranet) 15. Environment, Health & Safety Policy, P2, P6 (available on intranet)									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001, IATF16949, ISO 14001, ISO 45001 and NVG principles								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is working toward reducing its carbon footprint, with long-term goals targeting Scope 2 carbon neutrality by 2030 and net-zero emissions by 2050. The Company also continues to focus on workplace safety, with efforts aimed at preventing accidents and fire incidents.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has achieved carbon neutral more than 35% and our key goal is to achieve net zero by 2050 and to become Scope 2 neutral by 2030 and We have made an SBTi (Science Based Targets initiative) commitment and are actively developing a plan to reach net zero by 2050.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)*	The effects of climate change have highlighted the urgency of implementing resilient practices, and sustainability is now crucial for organizations to tackle the challenges ahead. Our primary objective is to provide our customers with top quality products in an environmentally sustainable manner. Our journey of growth is marked by our commitment to ethical and fair practices, a culture of diversity and inclusivity, operations that contribute to social progress, and environmental conservation through measures such as reducing energy consumption, preserving water, and recycling electronic waste. Our Company fully acknowledges the importance of incorporating environmental, social, and governance practices into our operations. We are dedicated to upholding high standards of quality across all these areas, and we have numerous policies in place to oversee our activities. We will continue to introduce new policies and adapt to changing regulations and trends to ensure we meet our objectives and overcome any obstacles. In the future, we intend to establish a clearly defined ESG strategy and set targets accordingly.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues (Yes / No). If yes, provide details.	Yes, the Company has constituted Enterprises Risk Management Steering Committee (ERM Steering Committee) and Environmental, Social and Governance Steering Committee (ESG Steering Committee) to support the Company's ongoing commitment to environmental stewardship, stakeholder's health and safety, community development, corporate social responsibility, ethical and corporate governance, and other public policy matters (collectively "ESG Material issues") relevant to the Company.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Performance against above policies and follow up action	Director	As and when needed
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director	As and when needed

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

If yes, provide name of the agency.

- Primarily by legal advisor to the IPO. Safety audit was performed as per IS14489.
- As part of due-diligence process following SEBI guidelines, the Company has carried out independent assessment of all statutory policies as part of IPO through the IPO legal advisor.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1:

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

7 PARTNERSHIPS FOR THE GOALS

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	Refresher training Sexual Harassment, Business Code of Conduct, whistle blower policy	Percentage varies with type of training
Key Managerial Personnel	5	Refresher training Sexual Harassment, Business Code of Conduct, whistle blower policy	
Employees other than BOD and KMPs Workers	36	Sexual Harassment, Business Code of Conduct, whistle blower policy, antibribery, Health and safety, Environment Management System, Human Rights and working condition, TISAX, and other training program	
Workers	63	Sexual Harassment, Business Code of Conduct, whistle blower policy, antibribery, Health and safety, Environment Management System, Human Rights and working condition, and other Technical Training for Skill Development	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

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	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement / agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

 - The Company has an Anti-Bribery Policy. The Company has built its reputation on the basis of its values and principles. The Company treats customers, employees, suppliers and other stakeholders with honesty, integrity, fairness, and trust. Governing principles of this policy provides a framework to deal with cases of corruption. Moreover, the Company has zero tolerance for corruption. The policy is available on the intranet.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Case Details	2024-25 Current Financial Year	2023-24 Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	2024-25 Current Financial Year		2023-24 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

 - Not Applicable as there were no cases relating to corruption or conflict of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Number of days of accounts payables	53.75	40.71

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9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2024-25 Current Financial Year	2023-24 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as% of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.28%	0.54%
	b. Sales (Sales to related parties / Total Sales)	2.06%	0.82%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	55.13%	35.87%
	d. Investments (Investments in related parties / Total Investments made)	46.46%	55.69%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Training Session on Sustainability - CO_2 calculation for work site	36.00%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

 - Company has a policy of "Code of Conduct for Directors & Senior Management Personnel". This policy prohibits Directors and Senior Management Personnel of the Company to enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence him/her to act in any manner other than in the best interests of the Company. This policy also provides procedures when a conflict of interest arises between Company and its Directors & Senior Management Personnel. Also, the Company receives a declaration (changes from time to time) from its Board members on the entities they are interested in and ensures requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities / individuals.

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PRINCIPLE 2:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2024-25 Current Financial Year	2023-24 Previous Financial Year	Details of Improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	36.89%	0.68%	The CAPEX was utilized for Roof Top solar plant, Hand Pallet Truck (Battery Operated), Water Cooler, Revamping of Bundling machine 8" X 8", Ground Mounted Solar Project and land for that, Road Sweeping Machine, Life line installation for Roof Top Solar Plants, Automatic Sprinkler System and Fire Detection System.

Note: Capex of 2024-25 includes Capital Work-in progress.

2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

 - Yes, the Company has policy in place as outlined in its Supplier Business Integrity Policy, which is available on the Company website. The policy highlights that sustainability is an important part of the Company's strategy.

 Suppliers are expected to reduce their environmental impact (such as greenhouse gas emissions, waste, energy, and water use) and follow local environmental laws, or international standards if local ones are not available and also to take steps to use renewable resources in a responsible way.

 In addition, the Company has a Supplier Code of Conduct in place since November 2022, the objective is to ensure that suppliers are aware and in compliance with requirements in relation to hazardous chemical content of purchased materials and to restrict the use of raw materials from prohibited countries (smelters).

 The policy mainly applies to materials ranging from raw materials to sub systems (materials that would require further work by the Company).

 The Company's supplier policy also strives to ensure that materials are sourced from Registration, Evaluation, Authorization and Restriction of Chemicals-Regulation (REACH) and Restriction of Hazardous Substances Directive (RoHS) certified suppliers.

 B. If yes, what percentage of inputs were sourced sustainably?

 RoHS and REACH compliance collected and verified received steel and brass materials on define frequency.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging)	Disposed to registered recyclers as per EPR norms
(b) E-waste	Disposed to registered recyclers as per E-waste norms
(c) Hazardous waste	Disposed to the cement plant for co-processing. ETP sludge & other hazardous waste is sent to registered recyclers as per hazardous waste norms.
(d) other waste	Disposed to registered recyclers

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4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
   - Yes, Applicable.
   - The EPR annual return for Plastic waste for the 2023-24 has been submitted within statutory timeline.
   - The annual return for the 2024-25 will be filed within statutory timeline.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.

- We have not conducted full life cycle assessment of the product.
- But we are doing the product carbon footprint calculation for the product.
- We have also started the calculation as per the CBAM format.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2024-25 Current Financial Year	2023-24 Previous Financial Year
	The Company strives to track the percentage and report in near future.	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0.00	10.72	0.00	0.00	11.80	0.00
E-waste	0.00	0.00	1.07	0.00	0.00	0.645
Hazardous waste	0.00	0.00	195.88	0.00	0.00	197.50
Other waste	0.00	0.00	614.90	0.00	0.00	546.91

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 3:

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	536	80	14.93%	536	100.00%	0	0.00%	536	100.00%	0	0.00%
Female	26	0	0.00%	26	100.00%	26	100.00%	0	0.00%	0	0.00%
Total	**562**	**80**	**14.23%**	**562**	**100.00%**	**26**	**4.63%**	**536**	**95.37%**	**0**	**0.00%**
Other than Permanent employees											
Male	18	0	0.00%	18	100.00%	0	0.00%	18	100.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**18**	**0**	**0.00%**	**18**	**100.00%**	**0**	**0.00%**	**18**	**100.00%**	**0**	**0.00%**

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1067	0	0.00%	1067	100.00%	0	0.00%	1067	100.00%	0	0.00%
Female	17	0	0.00%	17	100.00%	17	100.00%	0	0.00%	0	0.00%
Total	**1084**	**0**	**0.00%**	**1084**	**100.00%**	**17**	**1.57%**	**1067**	**98.43%**	**0**	**0.00%**
Other than Permanent workers											
Male	1524	0	0.00%	1524	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	72	0	0.00%	72	100.00%	72	100.00%	0	0.00%	0	0.00%
Total	**1596**	**0**	**0.00%**	**1596**	**100.00%**	**72**	**4.51%**	**0**	**0.00%**	**0**	**0.00%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company	0.077	0.046

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2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	2.07%	33.86%	Yes	34.45%	65.55%	Yes
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes, workplace is accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- The Company's Code of Conduct envelopes the Equal Opportunity Policy, the Company does not have a separate policy. The code of conduct encourages employees to treat everyone fairly, equally and without discrimination.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	8.00	100%	9.00	100%
Female	0.00	0%	0.00	0%
Total	8.00	100%	9.00	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No *(If Yes, then give details of the mechanism in brief)*
Permanent Workers	Yes, Any grievances of employees and workers has been dealt in accordance with the Grievance Redressal Policy of the Company. Additionally, any stakeholder can report their genuine whistle blower related concerns and grievances to the Whistle Blower Review Committee. In the event such complaint concerning any director then any stakeholder may directly report to the Chairperson of the Audit Committee.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employes/ worker in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employes	**0**	**0**	**0.00%**	**0**	**0**	**0.00%**
- Male	0	0	0.00%	0	0	0.00%
- Female	0	0	0.00%	0	0	0.00%
Total Permanent Workers	**0**	**0**	**0.00%**	**0**	**0**	**0.00%**
- Male	0	0	0.00%	0	0	0.00%
- Female	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	2024-25 Current Financial Year					2023-24 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C /A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	554	190	34.30%	549	99.10%	588	137	23.30%	438	74.49%
Female	26	8	30.77%	26	100.00%	19	2	10.53%	14	73.68%
Total	**580**	**198**	**34.14%**	**575**	**99.14%**	**607**	**139**	**22.90%**	**452**	**74.46%**
					Workers					
Male	2591	633	24.43%	1010	38.98%	2529	775	30.64%	1017	40.21%
Female	89	12	13.48%	17	19.10%	67	10	14.93%	18	26.87%
Total	**2680**	**645**	**24.07%**	**1027**	**38.32%**	**2596**	**785**	**30.24%**	**1035**	**39.87%**

9. Details of performance and career development reviews of employees and worker:

Category	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
				Employees		
Male	554	494	89.17%	588	485	82.48%
Female	26	24	92.31%	19	13	68.42%
Total	**580**	**518**	**89.31%**	**607**	**498**	**82.04%**
				Workers		
Male	2591	1042	40.22%	2529	1083	42.82%
Female	89	17	19.10%	67	18	26.87%
Total	**2680**	**1059**	**39.51%**	**2596**	**1101**	**42.41%**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes/ No).*** If yes, the coverage such system?

- Yes, the Company focuses on maintaining and improving workplace health and safety as part of its approach to sustainability.
- A health, safety, and environmental management system has been developed and implemented in line with applicable standards.
- This system is applied across both plants and supports safe practices in operations and support functions.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- The EHS team supports the identification and assessment of potentially hazardous activities in collaboration with plant workers and shares information on health and safety practices.
- Risk levels are evaluated using the HIRA register, considering the likelihood and severity of each activity. Based on these evaluations, appropriate actions are considered.
- Activities such as safety patrolling, near-miss reporting, safe workstation mapping, and regular updates to the HIRA register are part of the ongoing process.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

- Yes, regular safety checks are carried out, during which workers can report unsafe conditions and potential hazards to their supervisors and actions are taken based on the observations reported.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)***

- Yes
  - o The Company provides support beyond salaries to address employee welfare needs.
  - o Ambulances are available at plant sites for emergencies, and tie-ups with nearby hospitals (within 10–15 minutes) are in place.
  - o ESIC benefits are extended to eligible employees, offering access to government medical facilities.
  - o An internal occupational health center is also available at the Company, equipped with medical facilities and staffed with a nurse 24 hours a day.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	2024-25 Current Financial Year	2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.00	0.00
Total recordable work-related injuries	Employees	0.00	0.00
	Workers	0.00	0.00
No. of fatalities	Employees	0.00	0.00
	Workers	0.00	0.00
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00
	Workers	0.00	0.00

*Including in the contract workforce

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- The Company aims to maintain a safe and healthy workplace by reducing the risk of injuries, health hazards, and accidents, while adhering to applicable safety-related laws and regulations.
- To support this,
  - o The Company follows defined safety policies, management and reporting systems, and provides training and communication on safety practices.
  - o Safety performance is monitored using specific measures and indicators.
- Key activities include
  - o Danger Prediction exercises where small teams assess risks and suggest solutions using the HIRA register and Initiatives like
    - Safety Kaizen
    - Regular safety patrolling
    - Near - miss reporting and
    - Safe workstation mapping

13. Number of Complaints on the following made by employees and workers:

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	--	0	0	--

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- No significant risks or concerns have been identified from these assessments so far.
- However, corrective actions are taken during the year whenever any unsafe conditions are observed at the plants.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) – Yes

(B) Workers (Y/N) – Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- The Company has a mechanism in place to ensure timely payment of wages and other legal benefits under applicable labour laws to contract labour associated with company through contractor.
- The Company regularly monitors PF, ESIC, PT and GST details of the contractor.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2024-25 Current Financial Year	2023-24 Previous Financial Year	2024-25 Current Financial Year	2023-24 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
   - No
5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0.00%
Working Conditions	0.00%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.
   - No significant risks or concerns were identified through the assessment.

PRINCIPLE 4:

1 NO POVERTY | 5 GENDER EQUALITY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
   - Stakeholders play an integral role in the Company's journey, and we are privileged to share a strong relationship with investors based on a deep understanding of their expectations and our commitment to consistently fulfil them. Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analyzing the impact of each stakeholder groups on our business and vice versa. We have identified investors that contribute capital, customers, employees who enable us to create value, suppliers who help us deliver business value, community and government regulators as important stakeholders.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Internal Meetings, Engagement Activities, Internal Portal, Townhall Meeting, One-to-one interaction	Need basis	Employee wellbeing, career development, business plans
Shareholders	No	Email, Teleconference, Investor Presentation, Plant Visits, Website, AGM	Quarterly, Annually and on need basis	Financial performance, Prospective Investment, Investor relationship, Dividend, Profitability and financial stability
Investors	No	Email, Teleconference, Investor Presentation, Plant Visits, Website, Roadshows, Investor Conference	Quarterly and on need basis	Financial performance, Prospective Investment, investor relationship, Dividend, Profitability and financial stability
Suppliers	No	Email, Meetings	Need basis	Commercial, Quality, On time delivery
Customers	No	Email, Exhibitions, Meetings, Plant visits	Need basis	Business enhancement, customer satisfaction
Suppliers/ Contractors	No	Email, Meetings	Need basis	Quality
Community	Yes	One-to-one interactions	Need basis	CSR Projects, community needs

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
   - The Company has a presence across multiple geographies, products. Consultation with stakeholders on economic, environmental, and social topics are delegated to the department within an organization who are also responsible for engaging with stakeholders on continuous basis. Feedback received from stakeholders are communicated to senior management and the Board as and when deemed needed through Review meetings, Board meetings.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
   - Yes, stakeholder groups including employees, customers, investors and local communities are consulted through relevant mechanism. The Company uses the inputs or feedback received through stakeholder consultations to develop/update the relevant policies as and when deemed needed. Further, the continuous feedback from these stakeholder groups also helps the Company in identifying key risks and opportunities and plan actions to mitigate the risks.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.
   - The Company has demonstrated a commitment to supporting vulnerable groups by engaging in various initiatives. The Company have partnered with an independent NGO, Aastha Charitable Trust, to provide a residential complex called "ANAND DHAM" for the mentally challenged and those with aging or posthumous parental care needs. In the similar manner the Company has made a Corporate Social Responsibility (CSR) contribution to the Akshar Trust for Education and Welfare of deaf Children and for Trainees, Sant Vinoba Gram Swarajya Ashram for Animal Welfare and Prashanti Medical Services and Research Foundation for free of cost Heart Surgery to needy people. So far during Financial Year 2024-25 the Company has contributed approximately ₹ 1.71 crores towards the welfare of vulnerable groups, ensuring that their outreach programs address the unique needs of these individuals.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 5:

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	562	190	33.81%	607	137	22.57%
Other than permanent	18	3	16.67%	0	0	0.00%
Total Employees	**580**	**193**	**33.28%**	**607**	**137**	**22.57%**
Workers						
Permanent	1084	263	24.26%	1124	84	7.47%
Other than permanent	1596	261	16.35%	1472	70	4.76%
Total Workers	**2680**	**524**	**19.55%**	**2596**	**154**	**5.93%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2024-25 Current Financial Year					2023-24 Previous Financial Year				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (D)	Equal Minimum to Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**562**	**0**	**0.00%**	**580**	**100.00%**	**607**	**0**	**0.00%**	**607**	**100.00%**
Male	536	0	0.00%	536	100.00%	588	0	0.00%	588	100.00%
Female	26	0	0.00%	26	100.00%	19	0	0.00%	19	100.00%
Other than permanent	**18**	**0**	**0.00%**	**18**	**100.00%**	**0**	**0**	**0.00%**	**0**	**0.00%**
Male	18	0	0.00%	18	100.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Workers										
Permanent	**1084**	**29**	**2.68%**	**1055**	**97.32%**	**1124**	**70**	**6.23%**	**1054**	**93.77%**
Male	1067	29	2.72%	1038	97.28%	1106	65	5.88%	1041	94.12%
Female	17	0	0.00%	17	100.00%	18	5	27.78%	13	72.22%
Other than permanent	**1596**	**665**	**41.67%**	**931**	**58.33 %**	**1472**	**699**	**47.49%**	**798**	**54.21%**
Male	1524	637	41.80%	887	58.20%	1423	663	46.59%	785	55.17%
Female	72	28	38.89%	44	61.11%	49	36	73.47%	13	26.53%

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3. Details of remuneration/salary/wages.

   a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	35,61,253	2*	40,000
Key Managerial Personnel	6	94,39,119	1	86,80,002
Employees other than BoD and KMP	638	5,44,223	27	3,71,840
Workers	1,211	2,99,196	18	2,39,705

* Prof. (Dr.) Neharika Vohra has resigned from the position of an Independent Director w.e.f. November 11, 2024. Ms. Priyanka Agarwal Chopra is appointed as an Independent Director w.e.f. November 11, 2024.

   b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	2.28%	1.95%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   - Yes, we have HR - (SPOC) for each division who is responsible for addressing any grievances in regard to human rights issues caused by the business.

6. Number of Complaints on the following made by employees and workers:

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human Rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0.00%	0.00%

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
   - HR SPOC is responsible for the Implementation of the policies and practices pertaining to Sexual Harassment, Discrimination at work place also responsible for addressing the issues related to this.
9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
   - Yes
10. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%
Others – please specify	0.00%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
   - No corrective actions were taken as there were no significant risks/concerns arising from the assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
   - The Company initiates necessary actions as and when needed.
   - No business process was modified/introduced as a result of addressing human rights complaints during the reporting period.
2. Details of the scope and coverage of any Human rights due-diligence conducted.
   - While the Company hasn't conducted a Human Rights due diligence, the Company has adopted multiple policies that ensure correct practices are undertaken by the Company.
   - All policies are reviewed as and when required and appropriate committees have been designated for handling any such cases.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   - Yes, we are conscious about the difficulties differently abled visitors and rights of them and accordingly we make arrangement of accessibility for them.
4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0.00%
Discrimination at workplace	0.00%
Child Labour	0.00%
Forced Labour/Involuntary Labour	0.00%
Wages	0.00%
Others – please specify	0.00%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
   - NA

PRINCIPLE 6:

13 CLIMATE ACTION

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
From renewable sources (GJ)		
Total electricity consumption (A)	**5,742.51**	**5,827.28**
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**5,742.51**	**5,827.28**
From non-renewable sources		
Total electricity consumption (D)	1,02,675.89	1,02,073.03
Total fuel consumption (E)	713.24	727.13
Energy consumption through other sources (F)	0	0
Total energy consumed from non- renewable sources (D+E+F)	**1,03,389.13**	**1,02,800.16**
Total energy consumed (A+B+C+D+E+F)	**1,09,131.64**	**1,08,627.44**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000010	0.000010
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000231	0.000228
Energy intensity in terms of physical Output (Total GJ Consumed / MT of Production)	7.72	7.48

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
   - Ambica Associates
3. Provide details of the following disclosures related to water, in the following format:

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	28,824.00	26,228.00
(iii) Third party water	4,218.38	1,870.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**33,042.38**	**28,098.00**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total volume of water consumption (in kilolitres)	**33,000.00**	**28,000.00**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000030	0.0000026
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00007	0.00006
Water intensity in terms of physical Output (KL / MT of Production)	2.36	1.93

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc.

4. Provide the following details related to water discharged:

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) To Groundwater	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(v) Others	0.00	0.00
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	**0.00**	**0.00**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- Yes, Reuse of treated water is being reused for toilet flushing, solar panel cleaning, cooling tower makeover, gardening & plantation.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2024-25 Current Financial Year	2023-24 Previous Financial Year
NOx	PPM	6.22	1.3
SOx	PPM	18.8	15.3
Particulate matter (PM)	mg/Nm^3	46.23	55.4
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: The parameters like POP, VOC, HAP and any others are not applicable as per the issued consent for both the plant as for Changodar Plant, Consent Order No.: AWH – 129023 which is valid up to 31/03/2028 and for Moraiya Plant Consent Order No.: AWH – 142666 valid up to 23/01/2028

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	6,487	6,618
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	12,785	12,654
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e/rupee	0.00000177	0.00000178
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e/rupee	0.000041	0.000040
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent/ MT of production	1.33	1.38

Note: In the Financial Year 2023-24, Scope 2 was calculated and disclosed without renewable energy utilization.

But as per the GHG Protocol we have started accounting renewable energy.

- We have calculated and corrected the Financial Year 2023-24 value other linked related value like intensity in terms of rupees is also calculated and changed accordingly.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

- Yes, the details are provided in principle 6 under leadership indicator question number 4.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

9. Provide details related to waste management by the entity, in the following format:

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	10.72	11.88
E-waste ***(B)***	1.07	0.645
Bio-medical waste ***(C)***	0.00	0.00
Construction and demolition waste ***(D)***	0.00	24.68
Battery waste ***(E)***	0.00	0.00
Radioactive waste ***(F)***	0.00	0.00
Other Hazardous waste. Please specify, if any. ***(G)***	195.88	197.50
Other Non-hazardous waste generated **(H).** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Office waste	68.11	35.80
Glass Waste	0.00	0.33
Packaging Waste	380.04	356.51
Wooden Waste	143.29	129.93
Paper waste	23.46	19.56
Total of Other Non-hazardous waste generated ***(H).***	614.90	542.13
Total (A+B + C + D + E + F + G + H)	**822.57**	**776.84**
Note: Other non-hazardous waste is the quantity of Office Waste, Glass Waste, Packaging Waste, Wooden Waste and Paper Waste.		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000075	0.000000071
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated /Revenue from operations adjusted for PPP)	0.0000017	0.0000016
Waste intensity in terms of physical output (MT / MT of Production)	0.057	0.056
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	115.83	11.88
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	--	--
Total	**115.83**	**11.88**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	35.80
(iii) Other disposal operations -please specify		
Safety Disposal Plastic	49.00	100.00
Co-processing	180.85	124.70
(iii) Total of Other disposal	229.85	224.70
Total	**229.85**	**260.50**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
    - As per ISO 14001: 2015, Waste Disposal SOP document no. HEO810000010. Optimization of Hazardous waste generation during manufacturing process and being dispose through register recycler or co-processor.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
NA			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results Communicated in public domain (Yes / No)	Relevant Web link
NA					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non - compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

Note: As our company has not faced any such penalties or fines in financial year 2024-25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area – NA

   (ii) Nature of operations – NA

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	**NA**	**NA**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total volume of water consumption (in kilolitres)	**NA**	**NA**
Water intensity per rupee of turnover *(Water consumed / turnover)*	NA	NA
Water intensity *(optional)* – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: As our Company is not located in areas of water stress area so there for the above table is not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc
- Not applicable, as the Company does not operate around ecologically sensitive areas.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4,748	9,377
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent /Turnover Rupee	0.0000004	0.0000009

Note: In Financial Year 2023-24, scope 3 GHG Emission, Downstream Emission mistakenly calculated using tones instead of kilograms the figure now has been corrected.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Growlity Inc.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

- Not applicable, as the Company does not operate around ecologically sensitive areas.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative (Saved in KWH per Month)
1)	Shed Light is 150 W With Low Lux Level	Install 125W Led Light & Increase lux Level From 200 to 300 Lux	120
2)	Tidy Conveyor on Centimos	Tidy Conveyor On/Off with timing Interlock	935
3)	Use For Air Ejecting & Vacuum	Provide Valve & Selection in HMI for Coining & Saving	2,340
4)	Second Notching Press Not Use In Production	Off Conveyor During Not in Use	210
5)	Installed the timer to ON & OFF in Auto	Operator forgot to off lights (lake of awareness)	2,160
6)	Include Conveyor use For Scrap Handling	Remove incline Conveyor & Conveyor no-2 Extend	1061
7)	Not Timing Interlock or Ideal Run	Provide 10 Min Timer to Stop Motor During Ideal Run	220
8)	HYD Motor Run During ideal Condition	Provide Off Switch	145
9)	Washing m/c misc. collector motor continue on after washing cycle stop	Use contactor, relay & done wiring misc. collector motor power off after washing cycle stop	338
10)	Dust collector is running ideal on Sunday.	Timer to be installed & set Stop for Sunday.	500
11)	Main motor running ideal.	Motor ideal running to be stopped.	416
12)	Installed motor is of capacity 15 Hp against required 10Hp.	To be installed 10 Hp motor.	182
13)	Air ejection for ring was used continuous.	Solenoid valve was provided.	15
14)	0.033KW Demagnet continue on.	Demagnet interlock with Main motor.	52
15)	3KW Demagnet continue on.	Demagnet on by push button for 1 Minute.	150
16)	Chiller unit running with 15°C temperature	Chiller unit running with 20°C temperature	780
17)	Dryer separation time has scope of improvement	Separation time to be set as per requirement	2,500
18)	Exxon main motor was installed of 15Hp.	7.5Hp motor installed.	1,716
19)	Chip Conveyor Motor continues working	Provide Timer and set conveyor working time 2 min on and 2 min off instead of continues on	18
20)	Parts cleaning and floor cleaning	Remove Air gun from 8 Nos machine	425
21)	Heater on time high due to Heaters spread heat in the atmosphere	Provide Insulation jacket on heater	252

Note: Saved KWH values represent energy savings that begin from the project completion date. Energy savings are only counted once a project becomes operational.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- Yes, the Company has a contingency plan in place.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

- The plan outlines identified risks, their severity, and corresponding mitigation measures in the event of an occurrence.
- It has been effectively communicated to all functional heads and is also shared with all employees to ensure comprehensive awareness and preparedness.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
   - Based on current practices and assessments, the Company has not identified any significant adverse environmental impacts arising from its value chain.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
   - 36% of value chain partner were covered and training sessions were given on CO2 Calculation (GHG Emission, Sustainability) and were assessed for environmental impacts.

PRINCIPLE 7:

13 CLIMATE ACTION

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
   - 4

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1	GCCI	State
2	CII	National
3	AMA	State
4	ACMA	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others – please specify)	Web Link, if available
No such public policy advocated by the Company					

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 8:

1 NO POVERTY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent External agency (Yes /No)	Results Communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In ₹)
None of the Company projects undertaken required rehabilitation and resettlement.						

3. Describe the mechanisms to receive and redress grievances of the community.
   - Grievance Redressal Mechanism (GRM) is an important aspect of assuring the Company's strong relation with the community as it provides a social license to operate and execute community initiative projects. As part of the Company's grievance redressal mechanism, the organization has deployed local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, the Company has not encountered any specific grievances from the community so far.
   - The Company records all external complaints related to health, safety & environment on the Company's intranet and takes suitable and sufficient actions to address all such complaints. The Company ensures timely closure with follow ups to avoid reoccurrence of such complaints.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Directly sourced from MSMEs/ small producers	4.56%	7.19%
Directly from within India	70.55%	79.00%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	2024-25 Current Financial Year	2023-24 Previous Financial Year
Rural	-	-
Semi-urban	-	-
Urban	100%	100%
Metropolitan	0	0

Note –The job creation in urban area is given and shared as our all employees are from urban location.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational District	Amount spent (In ₹)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No).
   - No, the Company does not have preferential procurement policy in place but on needs basis the Company sources paper cutting activities from Aastha Charitable Trust for Welfare of the Mentally Challenged.

   (b) From which marginalized /vulnerable groups do you procure?
   - NA

   (c) What percentage of total procurement (by value) does it constitute?
   - NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Except Trademark, the Company has no other intellectual property and hence not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education and Welfare of deaf Children and for Trainees	127	100.00%
2	Heart Surgery free of cost for needy people	25	100.00%
3	Anandham – Welfare of Mentally Challenged People*	17	100.00%
4	Animal Welfare#	300	0.00%

*The project is commenced in 2024-25 and will be completed in the 2025-26.

#This CSR Contribution was provided for constructing shed for 300 Cows.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 9:

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:
   - Our product is part and parcel of a bearing assembly which cannot be seen separately. Also end Consumer exposure is limited to bearing manufacturers and not to the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information:
   - NA as the Company customers design and approve the end product.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following:

	2024-25 Current Financial Year		2023-24 Previous Financial Year	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Other	0	0	0	0

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
   - Yes, the Company has a policy on cyber security and risks related to data privacy. The policy is available on the intranet.
   - The Company have TISAX label.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
   - The Company did not receive any complaint in this regard during the reporting period.

7. Provide the following information relating to data breaches:
   - Number of instances of data breaches – 0
   - Percentage of data breaches involving personally identifiable information of customers – 0.00%
   - Impact, if any, of the data breaches – NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
   - Product information is available on the Company's website at this link: https://www.harshaengineers.com/
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
   - The Company is not product design owner.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
   - NA
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
   - The Company manufactures product according to print design provided by our customer. This is not applicable to us. We carry out survey of our major products with our customers who are the Bearing manufacturers.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HARSHA ENGINEERS INTERNATIONAL 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, 2025, 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, 2025, 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.

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.

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 and Sustainability 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 except for the matters stated in the paragraph 2(l)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

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

   (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of directors is disqualified the as on 31st March,2025 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting 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(6) 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on audit procedures which we 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) contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 32 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approvals of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. As stated in note 34.9 to the standalone financial statements and based on our examination which included test checks, the Company has used multiple accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below –

a) The audit trail feature was not enabled for certain changes made at the database level using privileged access rights to the SAP application and the underlying HANA database, used for maintenance of accounting records by the Company. Accounting software administration guide states that enabling the same all the time consumes storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.

b) One segment of the company has used an accounting software Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature was enabled from July 3, 2024.

Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software. Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEM4890

Place: Ahmedabad
Date: May 08, 2025

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL 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, 2025

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 Company has a regular programme for physical verification of some of fixed asset in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management to us, the records examined by us and based on the examination of documents, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

(d) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, no revaluation of PPE or intangible asset has been done by the company during the year under review.

(e) According to information and explanations given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. In respect of its Inventories:

(a) The management has conducted physical verification of inventory at reasonable intervals during the year and provided report prepared by them which is not formal and no material discrepancies were noticed on such physical verification. In respect of inventories of stores and spares, the Management has a verification programme with appropriate procedures designed to cover the items over a period of three years, which in our opinion, is appropriate.

(b) During the year, company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly reporting under this clause is not applicable.

3. (a) During the year, company has made investments and also provided guarantees to companies, firms, Limited Liability Partnerships, and other parties , details are as follows:

Aggregate amount during the year	Guarantees (Amount in Lakhs)
- Others	28,752.01 Lakhs
Balance outstanding as at the balance sheet date	
- Others	19,200.62 Lakhs

(b) According to the information and explanations given to us and based on the audit procedures conducted by us we are of the opinion that the terms and conditions on which loan have been granted by the company during the year are not prejudicial to the company's interest.

(c) 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.

(d) According to the Information and explanations and based on our audit procedures ,there is no amount overdue for more than ninety days, at the end of the year.

(e) 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.

ANNEXURE - A (CONTD.)

(f) Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to promoters or related 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. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in respect of Company's products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determining whether they are accurate or complete.

7. In respect of Statutory Dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, **no undisputed amounts payable in** respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March, 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income-tax, Goods and Service tax, Duty of Customs, Duty of Excise, Sales Tax, Service Tax, Value Added Tax, Provident Fund, Employees' State Insurance, Cess or other statutory dues as at 31 March, 2025, which have not been deposited with the appropriate authorities on account of dispute, other than those mentioned as mentioned as under:

Name of the Statue	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	2012-13	6,27,10,500	6,24,28,936	High Court
Income Tax Act, 1961	Income Tax	2013-14	6,64,63,860	6,64,63,854	High Court
Income Tax Act, 1961	Income Tax	2015-16	10,72,76,220	10,72,76,220	High Court
Income Tax Act, 1961	Income Tax	2016-17	9,26,21,463	9,26,21,463	High Court
Income Tax Act, 1961	Income Tax	2017-18	2,60,88,617	26,99,666	Appeal
Income Tax Act, 1961	Income Tax	2020-21	98,44,898	98,44,898	Appeal
Income Tax Act, 1961	Income Tax	2021-22	28,45,88,492	27,51,81,580	Order rectification request filed by the company.
Income Tax Act, 1961	Income Tax	2022-23	65,68,750	65,68,750	Appeal
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	2012-13 to 2017-18	82,244	82,244	High Court
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	2012-13 to 2017-18	38,689	38,689	High Court

ANNEXURE - A (CONTD.)

Name of the Statue	Nature of dues	Period to which amount relates	Amount Involved (Tax including interest)	Amount Unpaid (Tax including interest)	Forum where the dispute is pending
Central Excise Act, 1944 and Service Tax	Service Tax and Duty of Excise	2015-16 to 2017-18	64,81,233	64,81,233	Appeal filed before the CESTAT
Goods and Services Tax	GST, Gujarat	2019-20	3,01,76,345	2,86,56,661	Appeal
Goods and Services Tax	GST, Gujarat	2017-18 to 2022-23	1,08,00,000	97,20,000	Appeal
Goods and Services Tax	GST, Gujarat	2019-20	3,18,250	3,02,428	Appeal
Goods and Services Tax	GST, MP	2018-19	58,99,476	48,26,844	Will file appeal at Tribunal after facility will be provided by department.

8. According to information and explanations given to us , there was no transaction found unrecorded in the books of account of the company which have been surrendered or disclosed as income during the year in the tax assessments under The Income Tax Act, 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 .

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful 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 or associates.

(f) According to the information and explanations given to us and procedures applied by us, The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013 and hence reporting on Clause 3(ix)(f) of the Order is not applicable.

10. (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(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

ANNEXURE - A (CONTD.)

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) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

12. In our opinion and according to the information and explanations given by the management, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

13. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that transactions with related parties are in compliance with the provisions of Section 177 & 188 of the Companies Act, 2013, wherever applicable and all the transactions with related parties have been disclosed in the Financial Statements, as required by applicable accounting standards.

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, by independent CA Firm, 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)** According to the information and explanations given to us , 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. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management the Company is generally profit-making company and there was no cash loss in last financial year also.

18. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable and hence not commented upon.

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

20. **(a)** According to the information and explanations given to us and based on our audit procedures, in respect of other than ongoing projects, there is no amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, reporting under this clause is not applicable.

(b) According to the information and explanations given to us and based on our audit procedures, in respect of ongoing projects, the company had unspent CSR obligation of ₹135.00 lakhs at the end of the year, which has been transferred to a special account in compliance with the provision of the Act.

21. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations

ANNEXURE - A (CONTD.)

given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements, to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under Section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEM4890

Place: Ahmedabad
Date: May 08, 2025

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL 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, 2025 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.

ANNEXURE - B (CONTD.)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEM4890

Place: Ahmedabad
Date: May 08, 2025

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2025

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	26,353	25,027
(b) Capital Work-In-Progress	2	3,182	696
(c) Other Intangible Assets	2	18	31
(d) Financial Assets			
Investments	3	29,860	31,852
Loans & Advances	4	2,078	2,026
Other Financial Assets	5	42	334
(e) Other Tax Assets [Net]	6	308	135
(f) Other Non-Current Assets	7	947	850
Total Non-Current Assets		**62,788**	**60,951**
Current Assets			
(a) Inventories	8	27,154	28,921
(b) Financial Assets			
Investments	3	24,210	19,606
Trade Receivables	9	24,299	26,870
Cash and Cash Equivalents	10	782	1,014
Bank Balance Other than Cash and Cash Equivalents	10	5,740	8,670
Loans & Advances	4	1,674	3,601
Other Financial Assets	5	436	577
(c) Other Current Assets	7	1,501	2,660
Total Current Assets		**85,796**	**91,919**
TOTAL ASSETS		**1,48,584**	**1,52,870**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	9,104	9,104
(b) Other Equity	12	1,17,839	1,15,442
Total Equity		**1,26,943**	**1,24,546**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	13	111	128
Lease liabilities	14	133	165
Other Financial Liabilities	18	404	363
(b) Provisions	15	990	854
(c) Deferred Tax Liabilities (Net)	16	1,732	1,400
(d) Other Non-Current Liabilities	19	-	0
Total Non-Current Liabilities		**3,370**	**2,910**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	13	2,117	9,847
Lease liabilities	14	62	93
Trade Payables	17		
- Dues to Micro & Small Enterprises		836	405
- Dues to other than Micro & Small Enterprises		10,912	10,206
Other Financial Liabilities	18	2,794	3,293
(b) Other Current Liabilities	19	1,304	1,184
(c) Provisions	15	246	250
(d) Current Tax Liabilities [Net]	20	-	136
Total Current Liabilities		**18,271**	**25,414**
Total Liabilities		**21,641**	**28,324**
TOTAL EQUITY AND LIABILITIES		**1,48,584**	**1,52,870**
Material Accounting Policies	1		
Notes to Financial Statements	1 to 36		

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

STANDALONE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from Operations	21	1,08,930	1,08,094
Other Income	22	3,794	3,048
Total Income (A)		**1,12,724**	**1,11,142**
EXPENSES			
Cost of Materials Consumed	23	55,114	60,092
Change In Inventories of Finished Goods & Work-In-Progress	24	612	(1285)
Employee Benefits Expenses	25	12,482	11,814
Finance Costs	26	450	633
Depreciation and Amortization Expenses	2	2,867	2,685
Other Expenses	27	21,661	20,200
Bad Debts Write Off / Net Sundry Balances write off	28	2,060	238
Total Expenses (B)		**95,246**	**94,377**
Profit/ (Loss) Before Exceptional Items Tax (C)=(A-B)		**17,478**	**16,765**
Exceptional Items (D)	29	9,501	-
Profit/ (Loss) Before Tax (E)=(C-D)		**7,977**	**16,765**
Tax Expense			
Current Tax	31	4,079	3,771
Deferred Tax	31	362	303
Total Tax Expense (F)		**4,441**	**4,074**
Profit/ (Loss) After Tax for the year (G)=(E-F)		**3,536**	**12,691**
Other Comprehensive Income ('OCI')			
i) Items that will be reclassified to profit or loss			
Gains / (Loss) of Cashflow Hedge		(189)	604
Income tax relating to these items	31	48	(152)
ii) Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	32	(116)	(69)
Income tax relating to these items	31	29	17
Other Comprehensive Income for the year, net of tax (H)		**(228)**	**400**
Total Comprehensive Income for the year (I)=(G+H)		**3,308**	**13,091**
Earning Per Equity Share (EPS) for the year	30		
Basic (₹)		3.88	13.94
Diluted (₹)		3.88	13.94
Material Accounting Policies 1	1		
Notes to Financial Statements	1 to 36		

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
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Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: May 08, 2025
Place: Ahmedabad

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per statement of Profit & Loss	**7,977**	**16,765**
Adjustments for:		
Depreciation and Amortization Expenses	2,867	2,685
Interest Income	(1,404)	(1,569)
Finance Cost	450	633
Loss/(Profit) on Sale of Investment	(1,415)	(1,030)
Bad debts and Provision for doubtful trade receivables	2,577	3
Impairment of Equity Share of Subsidiary	9,501	-
Share of (Profit)/Loss from Joint venture / Associates	(29)	(29)
Loss / (Profit) on Sale of Assets	16	(1)
Operating Profit before Working Capital Changes	**20,540**	**17,457**
Adjustments for Changes in Working Capital		
Inventories	1,767	180
Trade Receivables	(6)	(5,005)
Other Current Assets	2,127	(559)
Other Non-Current Assets	195	15
Trade Payables	1,137	3,266
Other Financial Liabilities	(458)	360
Other Current Liabilities	120	44
Provisions	(262)	293
Cash Generated from Operations	**25,160**	**16,051**
Income Taxes Paid	(4,155)	(3,635)
Net Cash Flow from Operating Activities (A)	**21,005**	**12,416**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment, Capital Work-In-Progress and Other Intangibles	(6,756)	(3,465)
Proceeds from Sale of Property, Plant and Equipment	74	9
Sale /(Purchase) of Investments (Net)	(9,598)	(12,623)
Loans and Advances (Net)	(149)	8
Investment in fixed deposits with bank (Net)	2,930	(1,761)
Interest Income	1,404	1,569
Share of Profit/(Loss) from Joint venture / Associates	29	29
Net Cash Flow from Investing Activities (B)	**(12,066)**	**(16,234)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from IPO of Security Premium (Net of IPO Expenses)	-	(2)
Dividend Paid	(911)	(911)
Proceeds from Non-Current Borrowings	-	128
Repayment of Non-Current Borrowings	(17)	-
Finance Cost	(450)	(633)
Proceeds / (Repayment) of Current Borrowings (Net)	(7,793)	1,088
Changes in Non-Current Liability	-	(1)
Net Cash Flow from Financing Activities (C)	**(9,171)**	**(331)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(232)**	**(4,149)**
Cash and Cash Equivalents at the Beginning		
Cash on Hand	9	6
Balances with Banks	1,005	5,157
	1,014	**5,163**
Cash and Cash Equivalents at the End		
Cash on Hand	6	9
Balances with Banks	776	1,005
	782	**1,014**
Notes to Financial Statements 1 to 36		

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

Rajendra Shah
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VP Finance & Group CFO

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

Date: May 08, 2025
Place: Ahmedabad

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

A. Equity Share Capital

(₹ In lakhs)

Particulars	No. of Shares	Amount
Issued, Subscribed and Paid up Share Capital		
Equity Shares of ₹ 10/- each fully paid up		
As at April 01, 2023	**9,10,44,105**	**9,104**
Add : Equity shares issued during the year	-	-
As at March 31, 2024	**9,10,44,105**	**9,104**
Add : Equity shares issued during the year	-	-
As at March 31, 2025	**9,10,44,105**	**9,104**

B. Other Equity

(₹ In lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income - Cashflow Hedge Reserve	Total Other Equity
	Capital Reserves/ Merger Reserve	Security Premium	General Reserve	Retained Earnings		
As at April 01, 2023	**(116)**	**42,121**	**2,307**	**59,318**	**(366)**	**1,03,264**
Profit for the year	-	-	-	12,691	-	12,691
Other comprehensive income for the year	-	-	-	(52)	452	400
Total comprehensive income for the year	**-**	**-**	**-**	**12,639**	**452**	**13,091**
Less : IPO Expenses $	-	(2)	-	-	-	(2)
Less : Dividend Distribution	-	-	-	(911)	-	(911)
As at March 31, 2024	**(116)**	**42,119**	**2,307**	**71,046**	**86**	**1,15,442**
Profit for the year	-	-	-	3,536	-	3,536
Other comprehensive income for the year	-	-	-	(87)	(141)	(228)
Total comprehensive income for the year	**-**	**-**	**-**	**3,449**	**(141)**	**3,308**
Less : Dividend Distribution $$	-	-	-	(911)	-	(911)
As at March 31, 2025	**(116)**	**42,119**	**2,307**	**73,584**	**(55)**	**1,17,839**

$ The IPO Expenses was related to fresh issue of 1,37,95,695 equity shares aggregating up to ₹ 45,500 lakhs. Proportionate IPO expenses as applicable to Offer for Sales(OFS) were paid / reimbursed by respective Selling Share Holders.

$$ The Board of Directors, had recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2023-24 and approved by the shareholders at the Annual General Meeting, which was resulted in a total outflow of ₹ 910.44 lakhs.

Notes to Financial Statements 1 to 36

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
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Rajendra Shah
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Maulik Jasani
VP Finance & Group CFO

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

Date: May 08, 2025
Place: Ahmedabad

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

A. GENERAL INFORMATION

Harsha Engineers International Limited, is a public limited company, incorporated and domiciled in India, under the provisions of the Companies Act, 2013 ("HEIL" or "the Company") (CIN: L29307GJ2010PLC063233) . 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 having Engineering business which are in the manufacturer of bearing cages & bushings having materials in form of brass, bronze, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While the Company have principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, the Company also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through its subsidiaries. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of the companies is located at Sarkhej-Bavla Road, Changodar, Ahmedabad-382213, Gujarat, India.

These financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 08, 2025.

B. BASIS OF PREPARATION

B.1. 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.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹ '), 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. The amount "0" (zero) represents value, which is less than ₹ 1 Lakh.

B.3. Basis of Measurement

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

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

B.4. Use of Estimates and Judgments

In preparing these 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 recognized prospectively.

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

Judgments

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

Assumptions and Estimation Uncertainties

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

B.5. Measurement of Fair Values

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

Fair values are categorized 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 categorized 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 recognizes 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.

C. MATERIAL ACCOUNTING POLICIES

C.1. Foreign Currency

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognized 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 recognized in Other Comprehensive Income (OCI).

C.2. Financial Instruments

2.1. Financial Assets

i) Classification

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

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

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

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

ii) Measurement

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

iii) Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL

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

- Financial assets at amortized cost

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

iv) Derecognition

The Company derecognizes 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 recognized 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.

2.2. Financial Liabilities

i) Classification, Subsequent Measurement and Gains and Losses

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

ii) Derecognition

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

The Company also derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

2.3. Offsetting

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

2.4. Investment in Subsidiaries, Joint venture & Associates

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

C.3. Derivative Instruments and Hedge Accounting

The Company designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and/or foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized 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 recognized 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 recognized 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 recognized 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 recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

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

C.4. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized 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.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized 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/Amortization

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 recognized in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and any revision to these is recognized prospectively in current and future periods. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

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

iv. Derecognition

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

The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of profit and loss.

C.5. Intangible Assets

i. Initial Recognition and Classification

Goodwill is not amortized. 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 amortization and any accumulated impairment losses.

ii. Subsequent Expenditure

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

iii. Amortization

Amortization 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 amortization in Statement of Profit and Loss.

Goodwill is not amortized and is tested for impairment annually. Amortization 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.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognized in profit or loss when the asset is derecognized.

C.6. Inventories

Inventories are measured at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable 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 realizable value.

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

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

C.7. Impairment

i. Impairment of Financial Assets

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

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

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

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

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

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

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

Measurement of Expected Credit Losses

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

Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortized 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 realiztic 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 recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognized 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 amortization, if no impairment loss had been recognized.

C.8. Employee Benefits

i. Short Term Employee Benefits

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

ii. Defined Contribution Plan

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

Prepaid contributions are recognized 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 recognized 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 recognized 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 recognized 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 recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C.9. Revenue Recognition

i. Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognized when control including the significant risks and rewards and title of ownership have been transferred to the customer, satisfies a performance obligation, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

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

Revenue from contracts

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

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

Income from services

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

ii. Export Benefits

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

C.10. Recognition of Dividend Income, Interest Income

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

C.11. Income Tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

ii. **Deferred Tax**

Deferred tax is recognized 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 recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized 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 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 realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized 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 realized simultaneously.

C.12. Cash and Cash Equivalents

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

C.13. Borrowing Cost

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

C.14. Earnings Per Share

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

C.15. Cash Flow Statement

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

C.16. Leases

The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet and recognition of Depreciation and Interest expenses in Profit & Loss A/c.

Lease accounting

As a lessee

The Company, as a lessee, recognizes 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 recognizes 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 capitalized and recognized as an asset in the books.

C.17. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 recognized 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 recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

C.18. Business Combinations

Business Combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognize any new assets and liabilities. Adjustments are only made to harmonies accounting policies.
3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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

C.19. Events after reporting date

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

C.20. Recent Accounting Pronouncements

The Ministry of Corporate Affairs [MCA] notifies new standards or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 01, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 09, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchange ability and estimating exchange rates when currencies are not readily exchangeable.

The amendments are effective for the year beginning from April 01, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

2. PROPERTY, PLANT & EQUIPMENT, OTHER INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS

For the year ended March 31 2025

(₹ In lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 01, 2024	Addition during the year	Disposal/ Adjustment	As at March 31, 2025	As at April 01, 2024	For the period	Disposal/ Adjustment	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Property, Plant & Equipment										
Freehold Land	628	1,310	-	1,938	-	-	-	-	1,938	628
Buildings	7,744	164	-	7,908	2,931	247	-	3,178	4,730	4,813
Plant And Machineries	33,596	2,262	158	35,700	19,651	2,054	124	21,581	14,119	13,945
Furniture And Fittings	1,196	13	7	1,202	823	60	5	878	324	373
Vehicles	379	-	-	379	153	44	-	197	182	226
Office Equipments	303	42	2	343	218	25	2	241	102	85
Electric Installation	2,379	320	89	2,610	1,633	133	84	1,682	928	746
Computer & Peripherals	550	4	-	554	503	10	-	513	41	47
Solar Generation Plant	2,708	102	-	2,810	874	103	-	977	1,833	1,834
Wind Mill	2,667	-	-	2,667	584	111	-	695	1,972	2,083
Right of Use Assets-Lease $	385	51	114	322	138	65	65	138	184	247
TOTAL (A)	**52,535**	**4,268**	**370**	**56,433**	**27,508**	**2,852**	**280**	**30,080**	**26,353**	**25,027**
Other Intangible Assets										
Computer software	609	2	-	611	578	15	-	593	18	31
TOTAL (B)	**609**	**2**	**-**	**611**	**578**	**15**	**-**	**593**	**18**	**31**
TOTAL (A+B)	**53,144**	**4,270**	**370**	**57,044**	**28,086**	**2,867**	**280**	**30,673**	**26,371**	**25,058**

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

(₹ 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	3,149	33	-	-	**3,182**
Projects temporarily suspended	-	-	-	-	-

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

For the year ended March 31 2024

(₹ In lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at April 01, 2023	Addition during the year	Disposal/ Adjustment	As at March 31, 2024	As at April 01, 2023	For the year	Disposal/ Adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Property, Plant & Equipment										
Freehold Land	628	-	-	628	-	-	-	-	628	628
Buildings	7,070	674	-	7,744	2,697	234	-	2,931	4,813	4,373
Plant And Machineries	31,063	2,572	39	33,596	17,836	1,848	33	19,651	13,945	13,227
Furniture And Fittings	1,156	40	-	1,196	756	67	-	823	373	400
Vehicles	223	159	3	379	123	33	3	153	226	100
Office Equipments	260	43	-	303	198	20	-	218	85	62
Electric Installation	2,214	165	-	2,379	1,501	132	-	1,633	746	713
Computer & Peripherals	541	9	-	550	490	13	-	503	47	51
Solar Generation Plant	2,656	52	-	2,708	773	101	-	874	1,834	1,883
Wind Mill	2,667	-	-	2,667	473	111	-	584	2,083	2,194
Right of Use Assets-Lease $	403	146	164	385	201	99	162	138	247	202
TOTAL (A)	**48,881**	**3,860**	**206**	**52,535**	**25,048**	**2,658**	**198**	**27,508**	**25,027**	**23,833**
Other Intangible Assets										
Computer software	604	5	-	609	551	27	-	578	31	53
TOTAL (B)	**604**	**5**	**-**	**609**	**551**	**27**	**-**	**578**	**31**	**53**
TOTAL (A+B)	**49,485**	**3,865**	**206**	**53,144**	**25,599**	**2,685**	**198**	**28,086**	**25,058**	**23,886**

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

(₹ 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	556	140	-	-	**696**
Projects temporarily suspended	-	-	-	-	-

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

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

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

3. Refer Note 34.1(b) for Capital Contractual Commitments with respect to property, plant and equipments.

$ Lease Asset & Liability refer note 34.4

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

3. INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
A) Investments in Shares Capital of Subsidiary (Measured at Cost)		
Unquoted equity instruments Fully Paid Up		
Harsha Engineers Advantek Limited	10	10
100,000 Equity shares of ₹ 10 each (Previous year 1,00,000 Equity shares of ₹ 10 each)(Extent of Holding-100%)		
Principal Place of Business : Ahmedabad, India		
Harsha Precision Bearings Components (China) Co. Ltd.	6,760	6,760
(Extent of Holding-100%,)		
Principal Place of Business : Changshu, China		
Harsha Engineers Europe SRL		
29,86,465 Equity shares of RON 10 each (Previous year 29,86,465 Equity shares of RON 10 each) (Extent of Holding-100%)		
Investments Value (Cost)	14,281	14,281
Less : Provision for Impairment in carrying Value of Equity Investments of Subsidiary (Fair Value Adjustment)(Refer Note: 29)	(9501)	-
Carrying Value (Value in Use) of Entity based on Fair Valuation Report	**4,779**	**-**
Principal Place of Business : Brasov, Romania		
B) Investment in Equity Instruments via Optionally Convertible Non Cumulative Redeemable Preference Shares of wholly owned Subsidiary (Measured at Cost)[Unquoted]		
Harsha Engineers Advantek Limited	13,000	7,000
13,00,00,000 Preference Shares of ₹ 10 each (Previous year 7,00,00,000 Preference Shares of ₹ 10 each) (6% OCNRPS)		
C) Investments in Joint venture / Associates (Measured at cost) [Unquoted]		
Cleanmax Harsha Solar LLP - Capital A/c.	3	3
Capital contribution of ₹ 250,000 (Voting Rights and Profit Sharing of 50%)		
Principal Place of Business : Mumbai, India		
D) Investments - Others		
Measured at Cost		
Goldi Harsha Ventures LLP - Capital A/c. [Unquoted]	0	0
(Capital contribution of ₹ 10,000 (Previous year ₹ 10,000) (Profit Sharing of 0%)		
Sunstream Green Energy One Private Limited. [Unquoted]	-	0
Current year Nil (Previous year 10 Equity Shares of ₹ 10 each) Extent of Holding-0%, Sale of Investment on January 25, 2024 Refer Note-34.6		
Measured at Amortized cost		
Investments in Bonds (Quoted)	4,008	985
Measured at FVTPL		
Investments in Mutual Funds (Quoted)	1,300	1,300
Investments in Debentures (Quoted)	-	1,513
Total Non-Current Investments	**29,860**	**31,852**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Measured at Cost		
Cleanmax Harsha Solar LLP Current A/c [Unquoted]	569	605
Measured at Amortized cost		
Investments in Bonds (Quoted)	997	1,933
Measured at FVTPL		
Investments in Mutual Funds (Quoted)	22,644	15,880
Investments in Debentures (Quoted)	-	1,188
Total Current Investments	**24,210**	**19,606**
1) i Aggregate book value of quoted investments	28,949	22,799
ii Aggregate market value of quoted investments	28,953	22,941
2) Aggregate book value of unquoted investments (Net of Impairment)	25,121	28,659
3) Aggregate amount of impairment in value of of investment	(9,501)	-

4. LOANS & ADVANCES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
(Unsecured, Considered Good)		
Loans to Related Parties ^	2,068	2,018
Loans to Employees ^^	10	8
Total Non-Current Loans & Advances	**2,078**	**2,026**
Current		
(Unsecured, Considered Good)		
Loan / Advances to Employees ^^	41	26
Intercorporate deposits ^^^	1,500	2,600
Other Trade Receivable -Un billed Revenue	61	61
Other Income Receivable	72	914
Total Current Loans & Advances	**1,674**	**3,601**
^ Details of loans pursuant to Section 186(4) of Companies Act, 2013 :		
Harsha Precision Bearings Components (China) Co. Ltd. (Subsidiary)	2,068	2,018

a. The above loan has been given for the business purposes and which are outstanding at the end of the financial year.

b. The above loan is repayable within a period of 3 to 5 years.

^^ The loans to employees are interest free and are generally for a tenure of 6 to 30 months. Includes Loan given to KMP Refer Note 33G

^^^ Intercorporate deposits (ICD) given to NBFC for the purpose of Debt repayment / working capital.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

5. OTHER FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Security Deposits (Unsecured, Considered Good)	42	334
Total Other Non-Current Financial Assets	**42**	**334**
Current		
Export Benefits Receivables	34	198
Interest Income Receivable	402	371
Security Deposits (Unsecured, Considered Good)	0	8
Total Other Current Financial Assets	**436**	**577**

6. OTHER TAX ASSETS [NET]

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Advance Payment of Tax (Net of Provisions)	308	135
Total Other Tax Assets [Net]	**308**	**135**

7. OTHER ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Capital Advances (Unsecured, Considered Good)	846	739
Prepaid Expenses	101	111
Total Other Non-Current Assets	**947**	**850**
Current		
(Unsecured, Considered Good)		
Balances With Statutory Authorities	974	1,152
Prepaid Expenses	271	300
Advances To Suppliers	256	1,208
Total Other Current Assets	**1,501**	**2,660**

8. INVENTORIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Material	4,946	6,272
Work-In-Progress	1,533	1,031
Finished Goods	9,340	10,575
Stores, Spares & Other	1,226	1,335
Toolings	9,335	9,214
Project bought-out Components-Solar	774	494
Total Inventories	**27,154**	**28,921**

1. Inventories valued at lower of cost or net realizable value.
2. Inventories are hypothecated to secure working capital facilities from banks -Refer Note 13
3. Includes Goods in transit of Finished Goods as at March 31, 2025, ₹ 3,690 lakhs (March 31, 2024 ₹ 4,523 lakhs)
4. The Company follows suitable provisioning norms for writing down the value of Finished Inventories towards slow moving and non-moving inventory, as at March 31, 2025 ₹ 652 lakhs (March 31, 2024 ₹ 587 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

9. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured Trade Receivables		
Considered Good	24,299	26,870
Significant increase in credit risk	-	-
Credit impaired	525	8
Sub Total #	**24,824**	**26,878**
Less: Allowances for credit losses	525	8
Total Trade Receivables	**24,299**	**26,870**
# Includes trade receivable from related parties -Refer Note 33G	1,160	1,965

The average credit period on sale of goods is 0 - 130 days.

Trade receivables are hypothecated to secure working capital facilities from banks -Refer Note 13

Ageing of Trade Receivables

(₹ In lakhs)

Particulars	Outstanding from due date of payment						Total
	Not Due (Including Unbilled)	Less than 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025							
Undisputed -Considered Good	19,411	2,525	482	408	-	1,473	24,299
Undisputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed -Credit Impaired	-	-	12	22	-	491	525
Disputed -Considered Good	-	-	-	-	-	-	-
Disputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed -Credit Impaired	-	-	-	-	-	-	-
Gross carrying amount	**19,411**	**2,525**	**494**	**430**	-	**1,964**	**24,824**
Less: Allowances for credit losses	-	-	12	22	-	491	525
Net carrying amount	**19,411**	**2,525**	**482**	**408**	-	**1,473**	**24,299**

(₹ In lakhs)

Particulars	Outstanding from due date of payment						Total
	Not Due (Including Unbilled)	Less than 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2024							
Undisputed -Considered Good	16,717	4,122	1,244	849	43	12	22,987
Undisputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed -Credit Impaired	-	-	-	-	-	-	-
Disputed -Considered Good	-	-	-	-	-	3,883	3,883
Disputed -which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed -Credit Impaired	-	-	-	-	-	8	8
Gross carrying amount	**16,717**	**4,122**	**1,244**	**849**	**43**	**3,903**	**26,878**
Less: Allowances for credit losses	-	-	-	-	-	8	8
Net carrying amount	**16,717**	**4,122**	**1,244**	**849**	**43**	**3,895**	**26,870**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

10. CASH AND BANK BALANCES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents		
Cash on Hand	6	9
Balances with Banks	776	1,005
(Including Fixed Deposits with original maturity of 0 - 3 months)		
Total Cash and Cash Equivalents	**782**	**1,014**
Bank Balance Other than Cash and Cash Equivalents		
In Fixed Deposit #	5,605	8,670
Earmarked balances for Unclaimed dividend	0	0
Earmarked balances for CSR Unspent Amount	135	-
(Unclaimed dividend and unspent CSR balance can only be used for the purpose it has been maintained)		
Total Bank Balance Other than Cash and Cash Equivalents	**5,740**	**8,670**
Total Cash and Bank Balances	**6,522**	**9,684**
# Note :		
Includes Lien Marked FD maintain as a margin money for Bank Guarantees, Letter of Credits and Overdraft facility.	4	485

11. EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized Share Capital		
10,00,00,000 (Previous Year: 10,00,00,000) Equity Shares of Face Value ₹ 10/- each	10,000	10,000
Total	**10,000**	**10,000**

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Issued, Subscribed and Fully Paid up Share Capital		
9,10,44,105 (Previous Year: 9,10,44,105) Equity Shares of Face Value ₹ 10/-each	9,104	9,104
Total	**9,104**	**9,104**

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

Particulars	No. of shares	Amount (₹ in lakhs)
As at April 01, 2023		
At the beginning of the year	9,10,44,105	9,104
Add : Shares issued during the year	-	-
As at March 31, 2024	**9,10,44,105**	**9,104**
At the beginning of the year	9,10,44,105	9,104
Add : Shares issued during the year	-	-
As at March 31, 2025	**9,10,44,105**	**9,104**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Name of Shareholder	**No. of shares**	**No. of shares**
Mr. Rajendra Shah	1,19,19,390	1,19,19,390
Mr. Harish Rangwala	1,12,06,364	1,12,06,364
Ms. Charusheela Rangwala	1,04,46,762	1,04,46,762
Ms. Nirmala Shah	61,28,049	61,28,049
Mr. Vishal Rangwala	77,69,829	77,69,829
Mr. Pilak Shah	71,98,281	71,98,281
Plutus Wealth Management LLP	41,95,000	55,50,000
Nippon Life India Trustee Ltd	50,39,704	50,39,704
% Holding in Equity Shares		
Mr. Rajendra Shah	13.09%	13.09%
Mr. Harish Rangwala	12.31%	12.31%
Ms. Charusheela Rangwala	11.47%	11.47%
Ms. Nirmala Shah	6.73%	6.73%
Mr. Vishal Rangwala	8.53%	8.53%
Mr. Pilak Shah	7.91%	7.91%
Plutus Wealth Management LLP	4.61%	6.10%
Nippon Life India Trustee Ltd	5.54%	5.54%

Shareholding of Promoters

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of shares	**No. of shares**
Mr. Rajendra Shah	1,19,19,390	1,19,19,390
% Holding in Total Equity Shares	13.09%	13.09%
% change during the year	0.00%	
Mr. Harish Rangwala	1,12,06,364	1,12,06,364
% Holding in Total Equity Shares	12.31%	12.31%
% change during the year	0.00%	
Mr. Vishal Rangwala	77,69,829	77,69,829
% Holding in Total Equity Shares	8.53%	8.53%
% change during the year	0.00%	
Mr. Pilak Shah	71,98,281	71,98,281
% Holding in Total Equity Shares	7.91%	7.91%
% change during the year	0.00%	

12. OTHER EQUITY

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A : Capital Reserves/Merger Reserve	(116)	(116)
B : Security Premium	42,119	42,119
C : General Reserve	2,307	2,307
D : Retained Earnings	73,584	71,046
E : Other Comprehensive Income	(55)	86
Total Other Equity	**1,17,839**	**1,15,442**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Nature and purpose of reserves:

A Capital Reserves/Merger Reserve: The Company has recognized Capital Reserves/Merger Reserve for difference between consideration paid and net assets acquired under common control business combination transaction (Arising pursuant to the Scheme of Amalgamation). This can be utilized in accordance with the provisions of the Companies Act, 2013.

B Security Premium: The amount received in excess of face value of the equity shares is recognized in Securities premium. It is utilized in accordance with the provisions of the Companies Act, 2013.

C General Reserve: The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilized in accordance with the provisions of the Companies Act, 2013.

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

E Other Comprehensive Income -Cashflow Hedge Reserve: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognized and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A : Capital Reserves/Merger Reserve		
Opening Balance	(116)	(116)
Total Capital Reserves/Merger Reserve	**(116)**	**(116)**
B : Security Premium		
Opening Balance	42,119	42,121
Less : IPO Expenses $	-	(2)
Total Security Premium	**42,119**	**42,119**
$ The IPO Expenses was related to fresh issue of 1,37,95,695 equity shares aggregating up to ₹ 45,500 lakhs. Proportionate IPO expenses as applicable to Offer for Sales(OFS) were paid / reimbursed by respective Selling Share Holders.		
C : General Reserve		
Opening Balance	2,307	2,307
Total General Reserve	**2,307**	**2,307**
D : Retained Earnings		
Opening Balance	71,046	59,318
Add: Profit during the year	3,536	12,691
Add / (Less): Remeasurement of defined benefit plan transferred from OCI	(87)	(52)
Less : Dividend Distribution $$	(911)	(911)
Total Retained Earnings	**73,584**	**71,046**
$$ The Board of Directors, had recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2023-24 and approved by the shareholders at the Annual General Meeting, which was resulted in a total outflow of ₹ 910.44 lakhs.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
E : Other Comprehensive Income (OCI)		
Items that will be reclassified to statement of profit and loss		
(a) Cashflow Hedge Reserve :		
Opening Balance	86	(366)
Increase/(Decrease) During the Year	(189)	604
Income Tax relating to above item	48	(152)
Total Cashflow Hedge Reserve	**(55)**	**86**
Items that will not be reclassified to statement of profit and loss		
(b) Remeasurement of defined benefit plan :		
Opening Balance	-	-
Increase/(Decrease) During the Year	(116)	(69)
Income Tax relating to above item	29	17
Less: Transferred to retained earnings	87	52
Closing Balance	**-**	**-**
Total Other Comprehensive Income (OCI)	**(55)**	**86**

13. BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current Borrowings		
Secured		
From Mercedes Benz Financial Services India Pvt Ltd	111	128
Total Non-Current Borrowings	**111**	**128**

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

(1) Mercedes Benz Financial Services India Pvt Ltd -Engineering Segment

Secured by hypothecation of Car availed out of the said term loan.

Rate of interest ranges from 9.25% to 10.25 % p.a . on Long Term Borrowing

Terms of Repayments:

Non- Current Borrowing

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
1-2 Years	19	17
2-3 Years	21	19
3-4 Years	71	21
Beyond 4 Years	-	71
Total	**111**	**128**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Borrowings		
Secured		
State Bank of India	2,100	2,002
Citi Bank	-	3,100
YES Bank Ltd	-	600
RBL Bank Ltd	-	4,000
Current maturities of long term debt	17	15
Unsecured		
Loan From Bank	-	130
Total Current Borrowings	**2,117**	**9,847**

Security for Current Borrowings

(1) State Bank of India :

Engineering Segment -HEIL - Secured by hypothecation of entire current assets of the Engineering Division on first ranking pari passu basis with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd., HSBC Ltd and HDFC Bank Ltd.

(2) Citi Bank :

Engineering Segment -HEIL 1) Working capital Secured by hypothecation of entire current assets of the Engineering Division on first ranking pari passu basis with State Bank of India, Yes Bank Limited, RBL Bank Limited , HSBC Ltd and HDFC Bank Limited, and secured by demand promissory note and letter of continuity for the facility amount 2) SBLC extended to Citibank, China secured by demand promissory note and letter of continuity for the facility amount 3) SBLC extended to Citibank, Romania secured by first charge on inventory and receivables of Harsha Engineers Europe SRL, Romania in favor of Citibank, Romania and first charge on plant and machinery Harsha Engineers Europe SRL, Romania in favor of Citibank, Romania and secured by demand promissory note and letter of continuity for the facility amount.

(3) YES Bank Ltd :

Engineering Segment -HEIL - 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 , HSBC Ltd and HDFC Bank Limited and

Solar Segment Demand loans from banks are secured 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 -HEIL - 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, HSBC Ltd and HDFC Bank Limited and

Solar Segment Demand loans from banks are secured 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 -HEIL - 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, HSBC Ltd and RBL Bank Limited.

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

14. LEASE LIABILITY

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Lease Liability, Refer Note : 34.4	133	165
Total Non-Current Lease Liability	**133**	**165**
Current		
Lease Liability, Refer Note : 34.4	62	93
Total Current Lease Liability	**62**	**93**

15. PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision For Employees Benefits, Refer Note : 32	990	854
Total Non-Current Provisions	**990**	**854**
Current		
Provision For Employees Benefits, Refer Note : 32	246	250
Total Current Provisions	**246**	**250**

16. DEFERRED TAX LIABILITY / (ASSET)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability, Refer Note : 31	2,227	1,860
Less : Deferred Tax Asset, Refer Note : 31	(495)	(460)
Net Deferred Tax Liability / (Asset)	**1,732**	**1,400**

17. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises [#]	836	405
Dues to other than Micro and Small Enterprises	10,912	10,206
Total Trade Payables $	**11,748**	**10,611**
$ Includes trade payable to related parties -Refer Note 33G	21	8
Trade Payables are generally settled as per payment terms agreed by the Company and Vendor		
[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March are provided as under for & to the extent the Company has received intimation from the "Suppliers" regarding their status under the MSMED Act.		
A: Principal amount remaining unpaid to any supplier as at year end	836	405
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	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-

Ageing of Trade Payables

(₹ In lakhs)

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025						
(i) MSME -Undisputed	836	-	-	-	-	836
(ii) Other -Undisputed	10,011	860	19	17	5	10,912
(iii) MSME -Disputed	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-
Total	**10,847**	**860**	**19**	**17**	**5**	**11,748**

(₹ In lakhs)

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2024						
(i) MSME -Undisputed	405	-	-	-	-	405
(ii) Other -Undisputed	8,984	1,199	18	3	2	10,206
(iii) MSME -Disputed	-	-	-	-	-	-
(iv) Other -Disputed	-	-	-	-	-	-
Total	**9,389**	**1,199**	**18**	**3**	**2**	**10,611**

18. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security Deposits From Vendors	404	363
Total Other Non-Current Financial Liabilities	**404**	**363**
Current		
Interest accrued but not due on borrowings	-	6
Payables for Capital Goods	168	115
Accrued Expenses	2,416	3,285
Unpaid Dividends *	0	0
Unspent CSR Payable	135	-
Derivative Liability / (Asset)	75	(113)
Total Other Current Financial Liabilities	**2,794**	**3,293**

* There is no amount due to be transferred to Investor Education and Protection Fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

19. OTHER LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Advance from Staffs	0	0
Total Non-Current Other Liabilities	**0**	**0**
Current		
Payable to Statutory Authorities	878	992
Advance from Customers	376	144
Advance from Staffs	19	17
Asset Retirement Obligation - ARO	31	31
Total Current Other Liabilities	**1,304**	**1,184**

20. CURRENT TAX LIABILITIES [NET]

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Provision for Taxation [Net of Advance Tax]	-	136
Total Current Tax Liabilities [Net]	**-**	**136**

21. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales of Products & Services		
(a) Sale of Products	1,03,848	1,02,702
(b) Sale of Services	4,180	4,402
(c) Unbilled Revenue	(1)	(169)
Total	**1,08,027**	**1,06,935**
Other Operating Revenues		
Exports Benefits	865	1,031
Solar Power Generation	38	128
Total	**903**	**1,159**
Total Revenue from Operations	**1,08,930**	**1,08,094**

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of revenue from operations with the contracted price:		
Revenue as per Contract price	1,08,872	1,07,308
Less: Discounts	(593)	(231)
Less: Sales return	(252)	(142)
Sales of Products & Services	**1,08,027**	**1,06,935**
Other Operating Revenues	903	1,159
Total Revenue from Operations	**1,08,930**	**1,08,094**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

ii) Revenue disaggregation by geography:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. India	67,881	62,747
b. Outside India	41,049	45,347
Total Revenue from Operations	**1,08,930**	**1,08,094**

iii) Contract balances:

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract assets :		
Trade receivables	24,299	26,870
Contract assets (Other Trade Receivable -Un billed Revenue)	61	61
Contract liabilities :		
Advance from customers	376	144

iv) Remaining Performance obligation:

The performance obligation is satisfied upon dispatch of goods from the Company's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

22. OTHER INCOME

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income	1,404	1,569
Share of Profit/(Loss) from Cleanmax Harsha Solar LLP	29	29
Gain / (Loss) on Exchange Rate Fluctuation #	909	322
Miscellaneous Income	37	98
Other Income-Non -Operating		
Gain / (Loss) on Investment in Subsidary Co. Refer Note-34.5	-	(67)
Gain / (Loss) on Sale of Investment (Mutual funds) (measured at FVTPL)	151	265
Gain/ (Loss) on Fair value of Investments (measured at FVTPL)	1,264	832
Total Other Income	**3,794**	**3,048**
# Includes unrealized Gain / (Loss) on Exchange Rate Fluctuation	25	(84)

23. COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cost of Material Consumed	55,114	60,092
Total Cost of Materials Consumed	**55,114**	**60,092**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished Goods Opening Stock	10,575	9,409
Less : Finished Goods Closing Stock	(9,340)	(10,575)
Total	**1,235**	**(1,166)**
Work-In-Progress Opening Stock	1,031	1,245
Less : Work-In-Progress Closing Stock	(1,533)	(1,031)
Total	**(502)**	**214**
Toolings Opening Stock	9,214	8,881
Less : Toolings Closing Stock	(9,335)	(9,214)
Total	**(121)**	**(333)**
Total Change In Inventories of Finished Goods & Work-In-Progress	**612**	**(1,285)**

25. EMPLOYEE BENEFIT EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Wages & Bonus etc.	10,657	10,071
Contribution To PF, ESI etc. ##	943	906
Staff Welfare	882	837
Total Employee Benefit Expenses	**12,482**	**11,814**

Includes expenses related to Post Employment Defined Benefit Plans Refer Note : 32

26. FINANCE COSTS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Expense		
On Term Loans	14	5
On Working Capital Loans	350	517
On Others (Includes Interest on Lease Liability refer note : 34.4)	20	27
Total	**384**	**549**
Other Borrowing Costs		
Bank Charges & Processing Fees	66	82
Unwinding of discount on provision of Asset Retirement Obligation	-	2
Total	**66**	**84**
Total Finance Costs	**450**	**633**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

27. OTHER EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stores & Spares Consumed	3,438	3,595
Packing Materials Consumed	2,237	2,400
Power & Fuel Consumption (Net)	1,876	1,897
Machinery Repairs & Maintenance	434	376
Civil and Fabrication Charges	316	500
Installation & Commissioning charges	1,273	979
Contractor-Labor Charges	4,096	4,022
Other Operative Expenses	315	330
Advertisement & Sales Promotion	139	184
Celebration Expenses	41	35
Computer Expenses	299	278
Corporate Social Responsibility(CSR) (Refer Note : 34.2)	306	5
Donations	30	0
Freight, Forwarding & Clearing Exp	3,664	3,714
Insurance Premium	182	157
Legal & Professional Expenses ###	633	408
Rent & Fleet Management Expenses	129	100
Loss / (Profit) on Sale/disposal of Property, Plant & Equipment / Termination of Leases (net)	16	(1)
Repairs & Maintenance	300	256
Rates & Taxes	13	28
Security & Housekeeping Expenses	505	460
Stationery, Printing & Communication Expenses	117	112
Staff Training, Membership & Subscription	73	100
Allowances for credit losses	517	(235)
Traveling & Conveyance Expenses	303	254
Miscellaneous expenses	409	246
Total Other Expenses	**21,661**	**20,200**

Legal and Professional Expenses include:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to Statutory Auditor as (Excluding taxes):		
a) Statutory Audit Fees	15	15
b) Other Services	2	2
c) Reimbursement of Expenses	0	0
Total	**17**	**17**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

28. BAD DEBTS WRITE OFF / NET SUNDRY BALANCES WRITE OFF

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bad Debts Write Off / Net Sundry Balances write off	2,060	238
Total Bad Debts Write Off / Net Sundry Balances write off	**2,060**	**238**

Bad Debts Write Off / Net Sundry Balances write off are mainly pertains to Solar-EPC and O&M Segment.

29. EXCEPTIONAL ITEMS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment Loss on Equity Investments of Subsidiary	9,501	-
Total Exceptional Items	**9,501**	**-**

The Company has made provision for impairment of ₹ 9,501 lakhs in the carrying value of investment based on Fair Valuation Report of Harsha Engineers Europe SRL-Romania [HEE SRL], a wholly owned subsidiary, due to change in the business plans of HEE SRL during the year, which resulted into fair value of net assets of HEE SRL being lower than their carrying value of the investment. Consequently, there has been a diminution in the value of Company's investment in the equity shares of HEE SRL. The provision for impairment has been disclosed as an exceptional item during the year.

The value-in-use is determined based on specific calculations. These calculations use cash flow projections over a period of five years. The key assumptions used for the calculations are as follows :

Long Term Growth Rate for Terminal Value Calculation	2.00%
Discount Rate (WACC)	10.76%

30. EARNING PER SHARE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax attributable to Equity Holders (₹ in lakhs)	3,536	12,691
Weighted average number of Equity Shares for Basic EPS	9,10,44,105	9,10,44,105
Weighted average number of Diluted Shares for Diluted EPS	9,10,44,105	9,10,44,105
Nominal value of equity share (₹)	10	10
Earnings Per Share (₹)		
Basic	3.88	13.94
Diluted	3.88	13.94

31. INCOME TAX & DEFERRED TAX ASSET/ (LIABILITIES) [NET]

A : Income Tax Expenses

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Profit & Loss Section:		
Current Tax	4,079	3,771
Deferred Tax	362	303
Tax Expense Reported in Profit & Loss a/c.	**4,441**	**4,074**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
2. OCI section:		
Current Tax of OCI	(48)	152
Deferred Tax of OCI	(29)	(17)
Tax Charged to OCI	**(77)**	**135**
Total Income Tax Expense	**4,364**	**4,209**

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(Loss) Before Tax	7,977	16,767
Income Tax Expenses @ 25.168%	2,008	4,220
Add/(Less) tax effect on account of:		
Non Deductible Expenses/(Income)		
Depreciation as per Profit and Loss Account	722	676
Other Disallowances	(226)	(255)
Permanent Disallowances	79	-
Disallowance U/s 43B		
Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees-Labour Cess, Gratuity & Leave Encashment	5	(19)
Deductions	-	
Depreciation as per Income Tax Act	(821)	(888)
Deduction allowable / (dis allowable)- Others	(34)	37
Previous year Income Tax	(45)	-
DT Not Created on Impairment Loss (due to uncertainty)	2,391	-
Recognition of deferred tax	362	303
Income tax Expenses recognized in Statement of Profit & Loss	**4,441**	**4,074**

B : Movement in Deferred Tax Balances

(₹ In lakhs)

Particulars	Net Balance April 01, 2024	For the year ended March 31, 2025		As at March 31, 2025		
		Recognized in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(1,557)	(58)	-	(1,615)	-	(1,615)
Lease Liability	55	(52)	-	3	3	-
Bonus and Ex-gratia Payable	2	2	-	4	4	-
Gratuity	83	(1)	-	82	82	-
Leave Encashment	115	5	-	120	120	-
ARO Assets & Provision	9	0	-	9	9	-
Provision of doubtful Debts	2	130	-	132	132	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	Net Balance April 01, 2024	For the year ended March 31, 2025		As at March 31, 2025		
		Recognized in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
O&M Income Receivable	(10)	8	-	(2)	-	(2)
Amortized Merger Expenses	20	(8)	-	12	12	-
Brought Forward LTCL	21	(14)	-	7	7	-
Provision Payable	65	(57)	-	8	8	-
Provision Income/Loss of MFs	(293)	(317)	-	(610)	-	(610)
Remeasurement of Gratuity (OCI)	88	-	29	117	117	-
Deferred Tax Assets/ (Liabilities)	**(1,400)**	**(362)**	**29**	**(1,732)**	**495**	**(2,227)**

Movement in Deferred Tax Balances

(₹ In lakhs)

Particulars	Net Balance April 01, 2023	For the year ended March 31, 2024		As at March 31, 2024		
		Recognized in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(1,317)	(240)	-	(1,557)	-	(1,557)
Lease Liability	53	2	-	55	55	-
Bonus and Ex-gratia Payable	2	-	-	2	2	-
Gratuity	140	(57)	-	83	83	-
Leave Encashment	65	50	-	115	115	-
ERF-Curr. Revaluation	(151)	151	-	-	-	-
ARO Assets & Provision	8	1	-	9	9	-
Derivative Assets / liabilities	(126)	126	-	-	-	-
Provision of doubtful Debts	61	(59)	-	2	2	-
O&M Income Receivable	(15)	5	-	(10)	-	(10)
Amortized Merger Expenses	28	(8)	-	20	20	-
Brought Forward LTCL	-	21	-	21	21	-
Provision Payable	7	58	-	65	65	-
Provision Income/Loss of MFs	(84)	(209)	-	(293)	-	(293)
Cash Flow Hedge (OCI)	123	(144)	-	-	-	-
Remeasurement of Gratuity (OCI)	71	-	17	88	88	-
Deferred Tax Assets/ (Liabilities)	**(1,135)**	**(303)**	**17**	**(1,400)**	**460**	**(1,860)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	Age 25 & below : 5% p.a.		Age 25 & below : 5% p.a.	
	Age 25 to 45 : 3% p.a.		Age 25 to 45 : 3% p.a.	
	Age 45 & Above : 1% p.a.		Age 45 & Above : 1% p.a.	
Retirement Age	58 Years		58 Years	
Discount Rate	6.75% P.A.		7.20% P.A.	
Salary escalation	6.00% P.A.		6.00% P.A.	

The plan typically exposes the Company to actuarial risk such as –

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

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

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

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

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

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

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	2,114	458	1,883	404
Interest Cost	142	31	132	29
Transfer in /(out) Obligation	(17)	(5)	(4)	(1)
Current Service Cost	192	70	172	64
Benefit Paid by an entity	(220)	(139)	(158)	(108)
Due to change in financial Assumptions	101	24	50	12
Due to Experience adjustments	43	41	40	57
Liability at the end of the period	**2,355**	**479**	**2,114**	**458**
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	1,469	-	1,082	146
Adjustment to Opening fund				
Expected Return on Plan Assets	27	0	20	(4)
Contributions	-	0	300	(153)
Interest Income	103	-	79	11
Benefit paid	0	0	(13)	0
Fair Value of Plan Assets at the end of the period	**1,599**	**-**	**1,469**	**-**

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Amount recognized in Balance Sheet				
Liability at the end of the period	2,356	479	2,114	458
Fair Value of Plan Asset at the end of the period	1,599	-	1,469	-
Net Amount recognized in Balance Sheet	**757**	**479**	**645**	**458**

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss				
Current Service cost	192	70	172	64
Interest cost	39	31	53	18
Expected return on Plan Asset	0	64	0	74
Net Expense recognized in P&L	**231**	**165**	**225**	**156**
Expense recognized in the Statement of Other Comprehensive Income				
Due to change in financial assumption	101	-	-	-
Due to change in demographic assumption	-	-	-	-
Due to experience adjustment	43	-	90	-
Return on plan assets excluding amounts included in interest income	(27)	-	(20)	-
Net Expense recognized in OCI	**116**	**-**	**69**	**-**

Sensitivity Analysis

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

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate 1%/-1% (2023-24: 1%/-1%)	(216)	251	(190)	222
Salary growth rate 1%/-1% (2023-24: 1%/-1%)	249	(218)	222	(193)
Withdrawal/Attrition Rate 10%/-10% (2023-24: 10%/-10%)	2	(4)	5	(4)
Leave salary				
Discount rate 0.5%/-0.5% (2023-24: 0.5%/-0.5%)	(26)	29	(24)	27
Salary growth rate 0.5%/-0.5% (2023-24: 0.5%/-0.5%)	29	(27)	27	(25)
Withdrawal/Attrition Rate 10%/-10% (2023-24: 10%/-10%)	1	(1)	1	(1)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

The Matutity Profile of Defined Benefit Obligation

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
The Weighted Average Duration (Years) as at valuation date	10.33 Years	12.23 Years	10.32 Years	12.15 Years
Expected Future Cash Flows (Undiscounted)				
Year 1 Cash flow	239	41	263	54
Year 2 Cash flow	114	21	103	18
Year 3 Cash flow	113	20	107	20
Year 4 Cash flow	425	26	325	19
Year 5 Cash flow	330	24	317	25
Year 6 to Year 10 Cash flow	1040	178	1004	178

33. RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified by the Company is as follows:

A. Subsidiary/ Joint Venture :-

Name of Entity	Type of Relationship
HarshaPrecisionBearingComponents(China)Co.,Ltd.	Subsidiary
Harsha Engineers Europe SRL	Subsidiary
Harsha Engineers Advantek Limited	Subsidiary
Cleanmax Harsha Solar LLP	Joint Venture

B. Director or Key Management Personnel ("KMP") :-

Name of Director or KMP	Type of Relationship
Rajendra Shah [1]	Chairman & Whole-time Director of the Company
Harish Rangwala [2]	Managing Director of the Company
Vishal Rangwala [3]	Chief Executive Officer (CEO) & Whole-time Director of the Company
Pilak Shah [4]	Chief Operating Officer (COO) & Whole-time Director of the Company
Hetal Naik [5]	Whole-time Director of the Company
Ambar Patel	Independent Director of the Company
Kunal Shah	Independent Director of the Company
Neharika Vohra [6]	Independent Director of the Company
Ramakrishnan Kasinathan	Independent Director of the Company
Bhushan Punani	Independent Director of the Company
Priyanka Agrawal Chopra [7]	Independent Director of the Company
Maulik Jasani	Vice President Finance & Group Chief Financial Officer of the Company
Kiran Mohanty	Company Secretary & Chief Compliance Officer of the Company

[1] Rajendra Shah is re-appointed as Chairman & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[2] Harish Rangwala is re-appointed as Managing Director of the Company for the period of five years with effect from December 25, 2024.

[3] Vishal Rangwala is re-appointed as CEO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[4] Pilak Shah is re-appointed as COO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[5] Hetal Naik is re-appointed as Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

[6] Neharika Vohra has resigned from the position of an Independent Director with effect from November 11, 2024.

[7] Priyanka Agrawal Chopra is appointed as an Independent Director with effect from November 11, 2024.

C. Relative of Director or KMP with whom transactions has been made during the reporting period :-

Name of Relative of Director or KMP	Type of Relationship
Manish Naik	Relative of Hetal Naik & Rajendra Shah
Nirmala Shah	Relative of Rajendra Shah, Pilak Shah & Hetal Naik
Vaishali Shah	Relative of Pilak Shah & Rajendra Shah
Charusheela Rangwala	Relative of Harish Rangwala & Vishal Rangwala
Tanvi Rangwala	Relative of Vishal Rangwala & Harish Rangwala
Suresh Jasani	Relative of Maulik Jasani
Maulik S Jasani HUF	Relative of Maulik Jasani
Saurin Jasani	Relative of Maulik Jasani

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

Name of Director or KMP	Type of Relationship	Name of Director or KMP	Type of Relationship
Vishal Rangwala Family Trust	Promoter Group	Crest Creative Unit	Director's Significant Influence
Pilak Shah Family Trust	Promoter Group	AIA Engineering Limited	Common Directorship and Significant Influence
Munjal Rangwala Family Trust	Promoter Group	Aastha Charitable Trust for Welfare of the Mentally Challanged	Promoter's Significant Influence
Mili Mehta Family Trust	Promoter Group	Harsha Engineers International Limited Group Gratuity Trust	Post Employment Benefit Plan
Hetal Ukani Family Trust	Promoter Group		

E. Name of Related Parties other than mentioned in above point A, B,C and D with whom transactions has been made during the year :-

Name of Party	Type of Relationship
Jyotsnaben Shah	Promoter Group
Rameshbhai Shah	Promoter Group
Hemant Kumar Sharma	Director of Subsidiary
Vidhya Sharma	Relative of Director of Subsidiary
Mircea Bucur	Director of Subsidiary
Ecological Service Inc.	Director's Significant Influence
Goldi Harsha Ventures LLP	Common Partners/Directors

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

F. Transactions during the year with related parties :-

1. Subsidiaries/ Joint Venture's Transactions :-

(₹ In lakhs)

Particulars	Investment in Equity / Preference Share / Partner's Capital / Current A/c in Joint Venture's / Associates		Sales of Goods & License / Corporate Guarantee Charges/ Reimbursement		Purchase of Goods / Job work / Service/ Reimbursement	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Precision Bearing Components (China) Co.,Ltd.	-	-	513	687	-	23
Harsha Engineers Europe SRL	-	630	36	34	-	10
Harsha Engineers Advantek Limited	6,000	7,000	132	37	-	-
Cleanmax Harsha Solar LLP #	(36)	(6)	-	-	-	-
HASPL Americas Corporation ##	-	67	-	-	-	-
Sunstream Green Energy One Private Limited $	-	(1)	-	-	-	-
Total	**5,964**	**7,689**	**681**	**758**	**-**	**33**

(₹ In lakhs)

Particulars	Interest Income		Loans Given		Loans Received Back (Including Conversion)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Precision Bearing Components (China) Co.,Ltd.	106	111	-	-	-	-
Harsha Engineers Advantek Limited	8	5	900	375	900	375
Total	**114**	**116**	**900**	**375**	**900**	**375**

(₹ In lakhs)

Particulars	Sales of Assets		Impairment Loss on Investments	
	2024-25	2023-24	2024-25	2023-24
Harsha Engineers Advantek Limited	-	122	-	-
Harsha Engineers Europe SRL $$	-	-	9,501	-
Total	**-**	**122**	**9,501**	**-**

Includes Profit /(Loss) Share & Partner's Capital Infusion/Drawings.

Loss on Investment resulting from Subsidiary Company termination.

$ Includes Loss on Sale of Investment in Associates & Net of Purchase / Sales of Investment in Equity in Associates.

$$ Value pertains to Impairment in carrying value of Investment based on Fair Valuation Report of wholly owned subsidiary, Harsha Engineers Europe SRL.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

2. Director or KMP Transactions :-

(₹ In lakhs)

Particulars	Remuneration		Dividend Paid		Sitting Fees	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Rajendra Shah	70	59	119	134	-	-
Harish Rangwala	110	89	112	112	-	-
Vishal Rangwala	204	170	78	78	-	-
Pilak Shah	199	165	72	72	-	-
Hetal Naik	87	73	34	19	-	-
Ambar Patel	-	-	-	-	1	1
Kunal Shah	-	-	-	-	1	1
Neharika Vohra	-	-	-	-	0	1
Bhushan Punani	-	-	-	-	1	1
Priyanka Agrawal Chopra	-	-	-	-	0	-
Ramakrishnan Kasinathan	-	-	0	0	1	1
Maulik Jasani	78	72	0	0	-	-
Kiran Mohanty	26	23	0	0	-	-
Total	**774**	**650**	**415**	**415**	**4**	**4**

(₹ In lakhs)

Particulars	Loans Received Back		Interest Income	
	2024-25	2023-24	2024-25	2023-24
Kiran Mohanty	0	0	0	0
Total	**0**	**0**	**0**	**0**

Remuneration of Managerial Persons is inclusive of Managerial Commission payable for financial year ended March 31, 2025 as approved by the Board at their held on May 08, 2025.

3. Relative of Director or KMP Transactions

(₹ In lakhs)

Particulars	Dividend Paid		Purchase of Service	
	2024-25	2023-24	2024-25	2023-24
Charusheela Rangwala	104	104	-	-
Tanvi Rangwala	45	45	-	-
Nirmala Shah	61	76	-	-
Vaishali Shah	19	19	-	-
Suresh Jasani	0	0	-	-
Saurin Jasani	0	0	-	-
Manish Naik	-	-	15	15
Maulik S Jasani HUF	-	-	2	3
Total	**230**	**245**	**17**	**18**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

(₹ In lakhs)

Particulars	Purchase of Goods / Job work / Reimbursement / CSR Contribution		Sales of Goods/ Reimbursement		Dividend Paid	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Crest Creative Unit	7	4	-	-	-	-
AIA Engineering Limited	-	-	1,511	-	-	-
Aastha Charitable Trust for Welfare of the Mentally Challanged ^	124	19	-	1	-	-
Harsha Engineers International Ltd. Group Gratuity Trust	-	300	-	-	-	-
Mili Mehta Family Trust	-	-	-	-	34	19
Vishal Rangwala Family Trust	-	-	-	-	0	0
Munjal Rangwala Family Trust	-	-	-	-	0	0
Pilak Shah Family Trust	-	-	-	-	0	0
Hetal Ukani Family Trust	-	-	-	-	0	0
Total	**131**	**323**	**1,511**	**1**	**34**	**19**

^Transactions with Aastha Charitable Trust for Welfare of the Mentally Challenged is inclusive of CSR Contribution.

5. Transactions with Other Related Parties whose names mentioned in above point E

(₹ In lakhs)

Particulars	Remuneration		Purchase of Goods & Service / Job work		Sales of Goods/ Reimbursement	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Hemant Sharma	92	88	-	-	-	-
Mircea Bucur	89	84	-	-	-	-
Ecological Service Inc.	-	-	65	51	-	-
Goldi Harsha Ventures LLP	-	-	-	-	33	-
Vidhya Sharma	-	-	5	5	-	-
Total	**181**	**172**	**70**	**56**	**33**	**-**

(₹ In lakhs)

Particulars	Dividend Paid	
	2024-25	2023-24
Rameshbhai Shah	0	0
Jyotsanaben Shah	0	0
Total	**0**	**0**

G. Outstanding balance

1. Subsidiaries / Joint Ventures Outstanding

(₹ In lakhs)

Particulars	Loan & Advance		Interest Receivable on loan		Other Receivable	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Harsha Precision Bearing Components (China) Co., Ltd.	2,068	2,018	218	111	867	1,806
Harsha Engineers Europe SRL	-	-	-	-	36	-
Harsha Engineers Advantek Limited	-	-	-	-	28	159
Total	**2,068**	**2,018**	**218**	**111**	**930**	**1,965**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	Other Payables	
	As at March 31, 2025	As at March 31, 2024
Harsha Precision Bearing Components (China)Co.,Ltd.	7	7
Total	**7**	**7**

2. Director or KMP Outstanding

(₹ In lakhs)

Particulars	Remmuneration Payable		Loan Receivable	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Rajendra Shah	32	22	-	-
Harish Rangwala	71	52	-	-
Vishal Rangwala	134	103	-	-
Pilak Shah	128	98	-	-
Hetal Naik	47	37	-	-
Maulik Jasani	4	2	-	-
Kiran Mohanty	2	1	0	0
Total	**419**	**315**	**0**	**0**

Remuneration of Managerial Persons is inclusive of Managerial Remuneration payable for financial year ended March 31, 2025 as approved by the Board at their held on May 08, 2025.

3. Relatives of Director or KMP Outstanding

(₹ In lakhs)

Particulars	Other Payable	
	As at March 31, 2025	As at March 31, 2024
Maulik S Jasani HUF	-	0
Total	**-**	**0**

4. Enterprise on which Directors and KMPs have significant influence and control Outstanding :-

(₹ In lakhs)

Particulars	Other Receivables	
	As at March 31, 2025	As at March 31, 2024
AIA Engineering Limited	201	-
Total	**201**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

5. Outstanding with Other Related Parties whose names mentioned in above point E

(₹ In lakhs)

Particulars	Remmuneration Payable		Other Payable		Other Receivables	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Hemant Sharma	6	5	-	-	-	-
Mircea Bucur	8	8	-	-	-	-
Ecological Service Inc.	-	-	13	-	-	-
Goldi Harsha Ventures LLP	-	-	-	-	30	-
Vidhya Sharma	-	-	0	0	-	-
Total	**14**	**13**	**13**	**0**	**30**	**-**

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 recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
(i) Letter of Credit/Corporate Guarantee/Stand by Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	24,562	10,919
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	14	14
(iii) Claims against the Company not acknowledged as debts:		
- Income Tax Matters	6,231	3,312
- Excise, Service Tax and GST Matters	501	99
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others #	1,564	1,560
(b) CAPITAL COMMITMENTS :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	600	2,512

It includes ₹ 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 ₹ 686 lakhs and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favor of the Company for recovery of ₹ 686 lakhs plus interest as per the said order dated May 04, 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 pendingm 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 pending.

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 judgments of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Note : 2. Some of the current Income tax litigation pertaining to merger entities tax credit linkage system not available with the department & Some 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 judgments of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

34.2. Corporate Social Responsibility (CSR) Expenses

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities for the financial year 2024-25.

Details of CSR amount spent by the Company & Set off available.

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
1. Gross amount required to be spent by the Company (including transferor company) during the year	318	243
2. Various Head of amount spent during the year:		
Anandham-Welfare of Mentally Challenged People (Aastha Charitable Trust for Welfare of the Mentally Challenged)	120	-
Heart Surgery free of cost for needy people (Prashanti Medical Services and Research Foundation)	25	-
Animal Welfare (Sant Vinoba Gram Swarajya Ashram)	15	-
Education and Welfare of deaf Children and for Trainees (Akshar Trust)	11	-
Essential physiotherapy center renovation and equipment for mentally challenged students	-	5
Total amount spent during the year	**171**	**5**
2. Amount unspent/ (excess spent), if any	**147**	**238**
3. Provision movement during the year:		
Opening provision	**(12)**	**(250)**
CSR Required to be spent during the year	318	243
CSR Spent during the year *	(171)	(5)
Closing provision	**135**	**(12)**
(Amount transferred to separate earmarked CSR bank account as per Section 135 of the Companies Act.)		
Details of Related party transactions (Aastha Charitable Trust for Welfare of the Mentally Challenged)	120	5

* Represents actual outflow during the year by the Company.

34.3. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker [CODM] of the Company.

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 Company 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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, 2025	For the year ended March 31, 2024
1. Segment Revenues :		
a. Engineering & Others	95,050	91,548
b. Solar-EPC and O&M	13,880	16,546
Total Revenue from Operations	**1,08,930**	**1,08,094**
2. Segment Operating Results (EBITDA) # :		
a. Engineering & Others	12,709	19,906
b. Solar-EPC and O&M	(1,415)	177
Total Operating Results (EBITDA)	**11,294**	**20,083**
3. Segment Results (PBT) :		
a. Engineering & Others	9,437	16,665
b. Solar-EPC and O&M	(1,460)	100
Total Profit Before Tax (PBT)	**7,977**	**16,765**
4. Segment Assets :		
a. Engineering & Others	1,40,331	1,42,853
b. Solar-EPC and O&M	8,253	10,017
Total Assets	**1,48,584**	**1,52,870**
5. Segment Liabilities :		
a. Engineering & Others	12,088	18,057
b. Solar-EPC and O&M	9,553	10,267
Total Liabilities	**21,641**	**28,324**

Operating Results (EBITDA) : Total Profit Before Finance Cost, Tax, Depreciation & Amortization

SECONDARY SEGMENT INFORMATION

B : Geographical Segment:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Revenues: *		
a. India	67,881	62,747
b. Outside India	41,049	45,347
Total	**1,08,930**	**1,08,094**
2. Non-current assets: **		
a. India	29,553	25,754
b. Outside India	-	-
Total	**29,553**	**25,754**

* The revenue information above is based on the locations of the customers, however Sales to SEZ Unit has been Considered as Outside India.

** Non-current assets for this purpose consist of property, plant and equipment and intangible assets and Capital Work-In-Progress.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Information about major customers:

There are no transactions with a single customer which amounts to 10% or more of the Company's revenue.

34.4. 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' (ROU) assets are part of financial statement captions "Property plant and equipment'. Depreciation and impairment are similar to measurement of owned assets. Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement captions " Finance Costs".

1. Right Of Use (ROU) Assets

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	247	202
Additions during the year	51	146
Disposal during the year	114	164
Depreciation charge for the year	65	99
Accumulated Depreciation of Disposal	65	162
At the end of the year [Net]	**184**	**247**

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 and various cars for executives & some machines on operating lease to conduct business activity in ordinary course of business with tenure of leases 25 years and 5 years respectively.

III. Extension and termination options are included in some lease contracts. These are used to maximize operational flexibility in terms of managing assets and operations.

2. Movement in Lease Liabilities:

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability at the beginning of the year	258	211
Additions during the year	51	146
Redemption during the year	(114)	(99)
Lease liability at end of the year	**195**	**258**
of which:		
Non current portion	133	165
Current portion	62	93
Maturity analysis of lease liabilities:		
The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:		
Within 1 year	62	93
2-5 years	133	165
Above 5 years	-	-

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Rental p.a.	81	117
Interest on Lease Liability	20	23
Short term lease and low value assets lease rental recognized in profit and loss a/c p.a.	89	43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

34.5. Termination of the HASPL Americas Corporation:

In the previous year, M/s HASPL Americas Corporation, Wholly Owned Subsidiary of the Company had been terminated in accordance with applicable laws, as per certificate issued by State Corporation Commission, Virginia on February 29, 2024. The necessary accounting treatment had been given accordingly in in the previous financials.

34.6. Sale of Investment of the Sunstream Green Energy One Pvt. Ltd.:

In the previous year, the Company had transferred equity investment of 32,97,050 shares representing 25.9999% of Sunstream Green Energy One Private Limited ("SGEOPL"), Associates of the Company to the Sunstream Green Energy Pvt Ltd at ₹ 10/- per share in accordance with Agreement for Sale of Shares dated January 25, 2024 (Share Purchase Agreement) . On account of this transfer the Company's stake had been reduced to 10 equity shares in SGEOPL. Further the Company has also transferred remaining 10 equity shares during current financial year. The necessary accounting treatment had been given accordingly in the financials.

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 the Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b)without specifying any terms or period of repayment.

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

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

5) The Company had transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the 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, 2025	As at March 31, 2024
HASPL Americas Corporation #	Equity Investment	Wholly Owned Subsidiary	-	-

M/s HASPL Americas Corporation has been terminated in accordance with applicable laws as per certificate issued by State Corporation Commission, Virginia on February 29, 2024. Refer Note-34.5

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

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

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

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

34.8. Dividends Proposed to be Distributed

The Board of Directors, at its meeting held on May 08, 2025, recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2024-25, which will result in a total outflow of ₹ 910.44 lakhs. The recommended dividend is subject to the approval of the shareholders at the Annual General Meeting and hence not recognized as a liability as at March 31, 2025.

34.9. Maintenance of Books of Accounts with Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company have used multiple accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below –

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

Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software. Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

b) One segment of the Company has used an accounting software Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

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

35. FINANCIAL RATIO

	Particulars	Numerator	Denominator	2024-25	2023-24	% Change
1)	Current Ratio (Times)*	Current Assets	Current Liabilities	4.70	3.62	29.83%
2)	Debt-Equity Ratio (Times)**	Total debt (current and non-current borrowings & lease liabilities)	Total equity	0.02	0.08	(76.77%)
3)	Debt Service Coverage Ratio (Times)***	Profit After Tax Plus Depreciation and Finance Cost , Excluding Other Income	Debt Service = Current Debt Obligation (Interest and 12 months principal repayment)	5.78	17.49	(66.94%)
4)	Return on Equity Ratio (%)#	Net profit attributable to Equity Share holders (PAT-Profit After Tax)	Average Equity	2.81%	10.71%	(73.75%)
5)	Inventory turnover ratio (Times)	Net Sales	Average Inventories	3.85	3.69	4.53%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Particulars	Numerator	Denominator	2024-25	2023-24	% Change
6) Trade Receivables turnover ratio (Times)	Net Sales	Average Accounts Receivable	4.22	4.39	(3.78%)
7) Trade payables turnover ratio (Times)	Cost of materials consumed and Other Expenses (Excluding Corporate Social Responsibility (CSR), Donations, Loss / (Profit) on Sale of Fixed Assets, Rates & Taxes, Sundry Balance write off /Bad debts (Net), Provision for doubtful debts	Average Accounts Payables	6.79	8.97	(24.28%)
8) Net capital turnover ratio (Times)	Net Sales	Average Working Capital (Current Assets minus Current Liabilities)	1.61	1.66	(2.72%)
9) Net profit ratio (%)##	Net profit (PAT-Profit After Tax)	Revenue from Operations	3.25%	11.74%	(72.35%)
10) Return on Capital employed (%)###	Profit before interest and tax	Average Capital Employed (Total Equity, Total Debt & Deferred Tax Liabilities)	6.31%	13.45%	(53.12%)
11) Return on investment (%)	Income from Investment	Average Fund Invested	8.61%	7.64%	12.68%

Reason for change more than 25% :

*** Current Ratio (Times) :** Improve due to decrease in Current Borrowings

**** Debt-Equity Ratio (Times) :** Improve due to decrease in Current Borrowings

***** Debt Service Coverage Ratio (Times) :** Decline due to decrease in PAT (with reference to ₹ 9,501 lakhs Impairment in carrying value of Investment of wholly owned subsidiary, Harsha Engineers Europe SRL-Romania & ₹ 2,060 lakhs Bad Debts Write Off / Net Sundry Balances write off pertains to Solar-EPC and O&M Segment.)

 # Return on Equity Ratio (%) : Decline due to decrease in PAT (with reference to ₹ 9,501 lakhs Impairment in carrying value of Investment of wholly owned subsidiary, Harsha Engineers Europe SRL-Romania & ₹ 2,060 lakhs Bad Debts Write Off / Net Sundry Balances write off pertains to Solar-EPC and O&M Segment.)

Net profit ratio (%) : Decline due to decrease in PAT (with reference to ₹ 9,501 lakhs Impairment in carrying value of Investment of wholly owned subsidiary, Harsha Engineers Europe SRL-Romania & ₹ 2,060 lakhs Bad Debts Write Off / Net Sundry Balances write off pertains to Solar-EPC and O&M Segment.)

Return on Capital Employed (%) : Decline due to decrease in PBIT (with reference to ₹ 9,501 lakhs Impairment in carrying value of Investment of wholly owned subsidiary, Harsha Engineers Europe SRL-Romania & ₹ 2,060 lakhs Bad Debts Write Off / Net Sundry Balances write off pertains to Solar-EPC and O&M Segment.)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

36.

A. Financial Instruments by Category and their Fair Value

(₹ In lakhs)

As at March 31, 2025	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments #								
Quoted	23,944	-	5,005	28,949	23,944	-	-	23,944
Loans								
Non-Current	-	-	2,078	2,078	-	-	-	-
Current	-	-	1,674	1,674	-	-	-	-
Trade Receivables	-	-	24,299	24,299	-	-	-	-
Cash and Cash Equivalents	-	-	782	782	-	-	-	-
Other Bank Balances	-	-	5,740	5,740	-	-	-	-
Other financial assets								
Non-Current	-	-	42	42	-	-	-	-
Current	-	-	436	436	-	-		-
Total financial assets	**23,944**	**-**	**40,056**	**64,000**	**23,944**	**-**	**-**	**23,944**
Financial liabilities								
Borrowings								
Non-current	-	-	111	111	-	-	-	-
Current	-	-	2,117	2,117	-	-	-	-
Lease liabilities								
Non-current	-	-	133	133	-	-	-	-
Current	-	-	62	62	-	-	-	-
Other financial liabilities								
Non-current	-	-	404	404				
Current	-	75	2,719	2,794	75	-	-	75
Trade Payables	-	-	11,748	11,748	-	-	-	-
Total financial liabilities	**-**	**75**	**17,698**	**17,773**	**75**	**-**	**-**	**75**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

As at March 31 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments #								
Quoted	19,881	-	2,918	22,799	19,881	-	-	19,881
Loans								
Non-Current	-	-	2,026	2,026	-	-	-	-
Current	-	-	3,601	3,601	-	-	-	-
Trade Receivables	-	-	26,870	26,870	-	-	-	-
Cash and Cash Equivalents	-	-	1,014	1,014	-	-	-	-
Other Bank Balances	-	-	8,670	8,670	-	-	-	-
Other financial assets								
Non-Current	-	-	334	334	-	-	-	-
Current	-	-	577	577	-	-		-
Total financial assets	**19,881**	**-**	**46,010**	**65,891**	**19,881**	**-**	**-**	**19,881**
Financial liabilities								
Borrowings								
Non-current	-	-	128	128	-	-	-	-
Current	-	-	9,847	9,847	-	-	-	-
Lease liabilities								
Non-current	-	-	165	165	-	-	-	-
Current	-	-	93	93	-	-	-	-
Other financial liabilities								
Non-current	-	-	363	363	-	-	-	-
Current	-	(113)	3,406	3,293	(113)	-	-	(113)
Trade Payables	-	-	10,611	10,611	-	-	-	-
Total financial liabilities	**-**	**(113)**	**24,976**	**24,863**	**(113)**	**-**	**-**	**(113)**

Investments in Subsidiaries, Joint venture & Associates have been accounted at historical cost (Net of Impairment). Since these are out of scope of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the above table.

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

Types of inputs are as under:

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

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

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

B. Financial Risk Management

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

i. Credit risk

ii. Liquidity risk

iii. Market risk

(i) Credit risk

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

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, Consequently, the Company has taken Life time expected credit losses approach (simplified approach) and loss allowance was determined based on loss rate at 0 % for note due & ageing less than 6 months, 2.5 % for ageing between 6 to 12 months, 5 % for ageing between 1-2 years, 10 % for ageing between 2-3 years, 25 % for ageing more than 3 years.

Age of Receivables:

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Not Due (Including Unbilled)	19,411	16,717
Less than 6 Months	2,525	4,122
6-12 Months	494	1,244
1-2 Years	430	849
2-3 Years	-	43
More than 3 Years	1,964	3,903
Gross carrying amount	**24,824**	**26,878**
Less: Allowances for credit losses	525	8
Net carrying amount	**24,299**	**26,870**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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 Asset Management Companies or Instruments.
- 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)

Particulars	Contractual cash flows based on maturity							
	As at March 31, 2025				As at March 31, 2024			
	Carrying amount	Total	Less than 12 months	More than 12 months	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities								
Non current borrowings	111	111	-	111	128	128	-	128
Current borrowings	2,117	2,117	2,117	-	9,847	9,847	9,847	-
Non current lease liabilities	133	133	-	133	165	165	-	165
Current lease liabilities	62	62	62	-	93	93	93	-
Non current financial liabilities	404	404	-	404	363	363	-	363
Current financial liabilities	2,794	2,794	2,794	-	3,293	3,293	3,293	-
Trade and other payables	11,748	11,748	11,748	-	10,611	10,611	10,611	-
Total	**17,369**	**17,369**	**16,721**	**648**	**24,500**	**24,500**	**23,844**	**656**

(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.

Interest rate risk :

Interest rate risk is the risk that the fair value of future cashflows of the financial instruments will fluctuate because of changes in market interest rates. In order to maximize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by time to time evaluating and utilizing the favorable financial instrument. There are certain fixed interest rate barring investment instruments, which are excluded to derive interest rate risk. As at the year end, the Company is exposed to changes in market interest rates through investment and bank borrowings at variable interest rates, to derive sensitivity it has been net out.

Sensitivity

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	Movement - effect on Profit Before Tax	
	As at March 31, 2025	As at March 31, 2024
50 bp increase-decrease in profits	(1)	(40)
50 bp decrease-increase in profits	1	40

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 etc. Accordingly, the foreign currency exposure has been hedged time to time as per the Company's Risk management policy after evaluating the risk associated with.

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

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

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding Foreign Receivables(Including Loans, if any)		
- Receivable in USD	42,60,005	75,50,120
- Receivable in EUR	12,45,311	12,90,943
- Receivable in CNY	79,40,860	1,61,32,750
- Receivable in JPY	3,81,44,576	2,04,53,589
- Receivable in THB	48,83,672	35,76,937
- Receivable in SGD	-	27,000
Equivalent ₹ In lakhs (FEDAI rate considered)	**6,061**	**9,521**
Outstanding Foreign Payables (Including Loans, if any)		
- Payable in USD	-	1,13,252
- Payable in EUR	50,359	35,977
- Payable in CNY	4,31,829	7,56,766
- Payable in RUB	60,46,909	65,46,582
- Payable in SGD	6,750	-
Equivalent ₹ In lakhs (FEDAI rate considered)	**164**	**272**

Foreign Currency Risk Sensitivity

(₹ In lakhs)

Particulars	Movement (%)		Effect on PBT		Effect on equity net of tax	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
USD Sensitivity						
INR/USD- Increased by	1.00	1.00	36.41	62.03	27.25	46.42
INR/USD- Decreased by	1.00	1.00	(36.41)	(62.03)	(27.25)	(46.42)
EUR Sensitivity						
INR/EUR- Increased by	1.00	1.00	11.00	11.28	8.23	8.44
INR/EUR- Decreased by	1.00	1.00	(11.00)	(11.28)	(8.23)	(8.44)
CNY Sensitivity						
INR/CNY- Increased by	1.00	1.00	8.82	17.66	6.60	13.22
INR/CNY- Decreased by	1.00	1.00	(8.82)	(17.66)	(6.60)	(13.22)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	Movement (%)		Effect on PBT		Effect on equity net of tax	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
JPY Sensitivity						
INR/JPY- Increased by	1.00	1.00	2.16	1.13	1.62	0.85
INR/JPY- Decreased by	1.00	1.00	(2.16)	(1.13)	(1.62)	(0.85)
THB Sensitivity						
INR/THB- Increased by	1.00	1.00	1.23	0.82	0.92	0.61
INR/THB- Decreased by	1.00	1.00	(1.23)	(0.82)	(0.92)	(0.61)
RUB Sensitivity						
INR/RUB- Increased by	1.00	1.00	(0.62)	(0.59)	(0.47)	(0.44)
INR/RUB- Decreased by	1.00	1.00	0.62	0.59	0.47	0.44
SGD Sensitivity						
INR/SGD- Increased by	1.00	1.00	(0.04)	0.17	(0.03)	0.13
INR/SGD- Decreased by	1.00	1.00	0.04	(0.17)	0.03	(0.13)

C. Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

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

The Company's debt to equity ratio is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Debt *	2,423	10233
Total equity	1,26,943	1,24,546
Debt to total equity ratio	**0.02:1 times**	**0.08:1 times**

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

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

Notes to Financial Statements 1 to 36

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HARSHA ENGINEERS INTERNATIONAL 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 and its subsidiaries , associates and Joint venture ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement, Consolidated 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, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, 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 Group as at March 31, 2025, 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.

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.

INFORMATION OTHER THAN THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Holding 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 and Sustainability 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

(a) We did not audit the financial statements of 3 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of ₹ 44,029.67 lakhs as at March 31, 2025 and total revenues of ₹ 32,502.37 lakhs for the year ended March 31, 2025, total net loss after tax of ₹ 1,329.85 lakhs for the year ended March 31, 2025 and total comprehensive income of ₹ (1,330.20) lakhs for the year ended March 31, 2025 and net cash inflows of ₹ 277.42 lakhs for the year ended March 31, 2025, as considered in the Statement (the figures reported above are before eliminations on consolidation). These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, an associate and a joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

(b) We did not audit the financial statements of 1 joint venture. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates and a joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

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, 2020, 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 clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such company.

3. 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 except for the matters stated in the paragraph 3(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

(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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 35.1 to the consolidated financial statements

ii. The Holding Company, its subsidiary companies, associate companies and joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025.

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

iv. a. The respective 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 group 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 respective management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on audit procedures which we 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) contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 32 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approvals of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in note 35.9 to the consolidated financial statements and based on our examination which included test checks, performed by us on the Holding Company and its subsidiaries incorporated in India, have used multiple accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below –

a) The audit trail feature was not enabled for certain changes made at the database level using privileged access rights to the SAP application and the underlying HANA database, used for maintenance of accounting records by the Holding Company and its subsidiaries companies incorporated in India. Accounting software administration guide states that enabling the same all the time consumes storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.

b) One segment of the company has used an accounting software Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature was enabled from July 3, 2024.

Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEN5741

Place: Ahmedabad
Date: May 08, 2025

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOILIDATED FINANCIAL STATEMENTS OF HARSHA ENGINEERS INTERNATIONAL 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") and its subsidiaries, associates and joint ventures (incorporated in India) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management (including the management of the subsidiaries, associates and joint ventures incorporated in India) 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

ANNEXURE - A (CONTD.)

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 and its subsidiaries, associates and joint ventures (incorporated in India) has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEN5741

Place: Ahmedabad
Date: May 08, 2025

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

List of Subsidiaries

1. Harsha Precision Bearing Components (China) Co. Ltd.
2. Harsha Engineers Advantek Limited
3. Harsha Engineers Europe SRL

List of Investments in Joint venture / Associates

1. Cleanmax Harsha Solar LLP- Joint Venture

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

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 25110142BMUKEN5741

Place: Ahmedabad
Date: May 08, 2025

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2025

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	36,910	34,499
(b) Capital Work-In-Progress	2	16,140	1,515
(c) Goodwill on Consolidation	3	4,407	7,175
(d) Other Intangible Assets	2	76	103
(e) Financial Assets			
Investments	4	6,314	3,801
Loans & Advances	5	12	11
Other Financial Assets	6	203	737
Other Tax Assets [Net]	7	308	138
Other Non-Current Assets	8	3,939	2,323
Total Non-Current Assets		**68,309**	**50,302**
Current Assets			
(a) Inventories	9	33,386	35,366
(b) Financial Assets			
Investments	4	24,210	19,607
Trade Receivables	10	30,198	31,893
Cash and Cash Equivalents	11	1,546	1,500
Bank Balance Other than Cash and Cash Equivalents	11	6,072	10,661
Loans & Advances	5	1,675	3,602
Other Financial Assets	6	337	540
(c) Other Current Assets	8	3,373	3,189
Total Current Assets		**1,00,797**	**1,06,358**
TOTAL ASSETS		**1,69,106**	**1,56,660**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	9,104	9,104
(b) Other Equity	13	1,16,310	1,08,424
Total Equity		**1,25,414**	**1,17,528**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	14	9,482	294
Lease liabilities	15	133	332
Other Financial Liabilities	19	408	363
(b) Provisions	16	1,005	859
(c) Deferred Tax Liabilities (Net)	17	1,240	765
(d) Other Non-Current Liabilities	20	0	0
Total Non-Current Liabilities		**12,268**	**2,613**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	14	10,369	16,948
Lease liabilities	15	62	93
Trade Payables			
- Dues to Micro & Small Enterprises	18	853	411
- Dues to other than Micro & Small Enterprises	18	13,820	12,882
Other Financial Liabilities	19	4,280	4,167
(b) Other Current Liabilities	20	1,789	1,630
(c) Provisions	16	251	250
(d) Current Tax Liabilities [Net]	21	-	138
Total Current Liabilities		**31,424**	**36,519**
Total Liabilities		**43,692**	**39,132**
TOTAL EQUITY AND LIABILITIES		**1,69,106**	**1,56,660**
Material Accounting Policies	1		
Notes to Financial Statements	1 to 36		

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from Operations	22	1,40,765	1,39,230
Other Income	23	3,773	2,949
Total Income (A)		**1,44,538**	**1,42,179**
EXPENSES			
Cost of Materials Consumed	24	72,883	77,905
Change In Inventories of Finished Goods & Work-In-Progress	25	985	(181)
Employee Benefits Expenses	26	18,155	16,905
Finance Costs	27	877	1,077
Depreciation and Amortization Expenses	2	4,054	3,932
Other Expenses	28	29,188	27,215
Bad Debts Write Off / Net Sundry Balances write off	29	2,060	251
Total Expenses (B)		**1,28,202**	**1,27,104**
Profit/ (Loss) Before Exceptional Items Tax (C)=(A-B)		**16,336**	**15,075**
Exceptional Items (D)	30	2,768	-
Profit/ (Loss) Before Tax (E)=(C-D)		**13,568**	**15,075**
Tax Expense			
Current Tax		4,120	3,797
Deferred Tax	32	517	135
Total Tax Expense (F)		**4,637**	**3,932**
Profit/ (Loss) After Tax for the year (G)=(E-F)		**8,931**	**11,143**
Less: Profit transferred to Non-Controlling Interest		-	-
Profit/ (Loss) After Tax (After Non-Controlling Interest) (H)		**8,931**	**11,143**
Other Comprehensive Income			
i) Items that will be reclassified to profit or loss			
Gains / (Loss) of Cashflow Hedge		(189)	604
Income tax relating to these items	32	48	(152)
ii) Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	33	(117)	(69)
Income tax relating to these items	32	29	17
Other Comprehensive Income for the year, net of tax (I)		**(229)**	**400**
Total Comprehensive Income for the year (J)=(H+I)		**8,702**	**11,543**
Earning Per Equity Share (EPS)	31		
Basic (₹)		9.81	12.24
Diluted (₹)		9.81	12.24
Material Accounting Policies	1		
Notes to Financial Statements	1 to 36		

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax as per statement of Profit & Loss	**13,568**	**15,075**
	Adjustments for:		
	Depreciation and Amortization Expenses	4,054	3,932
	Interest Income	(1,315)	(1,484)
	Finance Cost	877	1,077
	Loss/(Profit) on Sale of Investment	(1,461)	(1,124)
	Foreign Currency Translation Reserve	(43)	(88)
	Bad debts and Provision for doubtful trade receivables	2,577	16
	Impairment of Goodwill	2,768	-
	Share of (Profit)/Loss from Joint venture / Associates	(29)	(29)
	Loss / (Profit) on Sale of Assets	15	(19)
	Operating Profit before Working Capital Changes	**21,011**	**17,356**
	Adjustments for Changes in Working Capital		
	Inventories	1,980	2,322
	Trade Receivables	(882)	(3,872)
	Other Current Assets	846	(655)
	Other Non-Current Assets	364	(388)
	Trade Payables	1,380	1,550
	Other Financial Liabilities	158	711
	Other Current Liabilities	159	(106)
	Provisions	(262)	320
	Cash Generated from Operations	**24,754**	**17,238**
	Income Taxes Paid	(4,120)	(3,659)
	Net Cash Flow from Operating Activities (A)	**20,634**	**13,579**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of Property, Plant and Equipment, Capital Work-In-Progress and Other Intangibles	(20,934)	(7,453)
	Proceeds from Sale of Property, Plant and Equipment	73	48
	Sale /(Purchase) of Investments (Net)	(4,555)	(4,966)
	Loans and Advances (Net)	(1,696)	(1,376)
	Investment in fixed deposits with bank (Net)	4,589	(3,546)
	Interest Income	1,315	1,484
	Share of Profit/(Loss) from Joint venture / Associates	29	29
	Net Cash Flow from Investing Activities (B)	**(21,179)**	**(15,780)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceed from IPO of Security Premium (Net of IPO Expenses)	-	(2)
	Dividend Paid	(911)	(911)
	Proceeds of Non-Current Borrowings	9,206	128
	Repayment of Non-Current Borrowings	(18)	(625)
	Finance Cost	(877)	(1,077)
	Proceeds / (Repayment) of Current Borrowings (Net)	(6,809)	(55)
	Changes in Non-Current Liability	-	(1)
	Net Cash Flow from Financing Activities (C)	**591**	**(2,543)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(D)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**46**	**(4,744)**
	Cash and Cash Equivalents at the Beginning		
	Cash on Hand	10	10
	Balances with Banks	1,490	6,234
		1,500	**6,244**
	Cash and Cash Equivalents at the End		
	Cash on Hand	9	10
	Balances with Banks	1,537	1,490
		1,546	**1,500**
	Notes to Financial Statements	1 to 36	

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

A. Equity Share Capital

Particulars	No. of Shares	Amount (₹ In lakhs)
Issued, Subscribed and Paid up Share Capital		
Equity Shares of ₹ 10/- each fully paid up		
As at April 01 2023	**9,10,44,105**	**9,104**
Add : Equity shares issued during the year	-	-
As at March 31 2024	**9,10,44,105**	**9,104**
Add : Equity shares issued during the year	-	-
As at March 31 2025	**9,10,44,105**	**9,104**

B. Other Equity

(₹ In lakhs)

Particulars	Reserves & Surplus					Other Comprehensive Income - Cashflow Hedge Reserve	Total Other Equity
	Capital Reserves/ Merger Reserve	Security Premium	General Reserve	Foreign Currency Translation Reserve	Retained Earnings		
As at April 01 2023	**(116)**	**42,121**	**2,397**	**1,315**	**52,723**	**(367)**	**98,073**
Profit for the year	-	-	-	-	11,143	-	11,143
Other comprehensive income for the year	-	-	-	-	(52)	452	400
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,091**	**452**	**11,543**
Increase/(Decrease) During the Year	-	-	-	(279)	-	-	(279)
Less : Dividend Distribution	-	-	-	-	(911)	-	(911)
Less : IPO Expenses $	-	(2)	-	-	-	-	(2)
As at March 31 2024	**(116)**	**42,119**	**2,397**	**1,036**	**62,903**	**85**	**1,08,424**
Profit for the year	-	-	-	-	8,931	-	8,931
Other comprehensive income for the year	-	-	-	-	(88)	(141)	(229)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**8,843**	**(141)**	**8,702**
Increase/(Decrease) During the Year	-	-	-	95	-	-	95
Less : Dividend Distribution $$	-	-	-	-	(911)	-	(911)
As at March 31 2025	**(116)**	**42,119**	**2,397**	**1,131**	**70,835**	**(56)**	**1,16,310**

$ The IPO Expenses was related to fresh issue of 1,37,95,695 equity shares aggregating up to ₹ 45,500 lakhs. Proportionate IPO expenses as applicable to Offer for Sales(OFS) were paid / reimbursed by respective Selling Share Holders.

$$ The Board of Directors, had recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2023-24 and approved by the shareholders at the Annual General Meeting, which was resulted in a total outflow of ₹ 910.44 lakhs.

Notes to Financial Statements 1 to 36

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

Rajendra Shah
Chairman & Whole-time Director
DIN: 00061922

Harish Rangwala
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DIN: 00278062

Maulik Jasani
VP Finance & Group CFO

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

Date: May 08, 2025
Place: Ahmedabad

Date: May 08, 2025
Place: Ahmedabad

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

A. GENERAL INFORMATION

Harsha Engineers International Limited, is a public limited company, incorporated and domiciled in India, under the provisions of the Companies Act, 2013 ("HEIL" or "the Company") (CIN: L29307GJ2010PLC063233). 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 having Engineering business which are in the manufacturer of bearing cages & bushings having materials in form of brass, bronze, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While the Company have principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, the Company also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through its subsidiaries. The registered office of the companies is located at Sarkhej-Bavla Road, 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").

These financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 08, 2025.

B. BASIS OF PREPARATION

B.1. Statement of compliance with Ind AS

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

B.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹ '), , which is also the functional currency of the Company. All the amounts have been rounded off to the nearest lakh, unless otherwise indicated. The amount "0" (zero) represents value, which is less than ₹ 1 lakhs.

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

B.4. Use of Estimates and Judgments

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 recognized prospectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Judgments

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

Assumptions and Estimation Uncertainties:

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

B.5. Measurement of Fair Values

The 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 categorized 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 categorized 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 recognizes 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.

C. MATERIAL ACCOUNTING POLICIES

C.1. 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 recognized 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 / associates.

C.2. 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 recognized 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 recognized 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 recognized in Other Comprehensive Income (OCI).

C.3. Financial Instruments

3.1. 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 derecognizes 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 recognized 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.

3.2. 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 derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

3.3. 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.

C.4. 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

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

C.5. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized 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 labor, 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 recognized in statement of profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized 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/Amortization

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 recognized in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and any revision to these is recognized prospectively in current and future periods. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

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

Name of Subsidiaries	Basis of Depreciation
Harsha Engineers Advantek Limited	Straight Line Method
Harsha Precision Bearing Components (China) Co. Ltd. (HPBC(C)CL)	Straight Line Method
Harsha Engineers Europe SRL (HEESRL)	Straight Line Method

iv. Derecognition

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

The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of profit and loss.

C.6. Intangible Assets

i. Initial Recognition and Classification

Goodwill is not amortized. 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 amortization and any accumulated impairment losses.

ii. Subsequent Expenditure

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

iii. Amortization

Amortization 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 amortization in Statement of Profit and Loss.

Goodwill is not amortized and is tested for impairment annually. Amortization 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.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognized in profit or loss when the asset is derecognized.

C.7. Inventories

Inventories are measured at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable 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 realizable value.

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

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

C.8. 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 if it is more than 360 days past due and evaluate the same on regular basis. 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 amortized 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 realiztic 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 recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognized 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 amortization, if no impairment loss had been recognized.

C.9. 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Harsha Engineers Advantek Limited	India	100%	100%	-	-
Harsha Precision Bearing Components (China) Co. Ltd.	China	100%	100%	-	-
Harsha Engineers Europe SRL	Romania	100%	100%	-	-
HASPL Americas Corporation (till February 29, 2024) *	USA	-	-	-	-

* HASPL Americas Corporation had been terminated in accordance with applicable laws, as per certificate issued by State Corporation Commission, Virginia on February 29, 2024. The necessary accounting treatment had been given accordingly.

C.10. 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 recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized 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 recognized 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 recognized 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 recognized 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 recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C.11. 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 recognized when control including the significant risks and rewards and title of ownership have been transferred to the customer, satisfies a performance obligation, 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 recognized when services are rendered and related costs are incurred. Revenues from maintenance contracts are recognized on pro-rata basis over the period of the contract.

ii. Export Benefits

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

C.12. Recognition of Dividend Income, Interest Income

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

C.13. Income Tax

The Group and other Indian subsidiaries:

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized 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 recognized amounts, and it is intended to realize 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 recognized 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 recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized 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 realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized 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 realized simultaneously.

C.14. Cash and Cash Equivalents

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

C.15. Borrowing Cost

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

C.16. 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.

C.17. 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.

C.18. Lease

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, recognizes 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 recognizes 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 capitalized and recognized as an asset in the books.

C.19. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 recognized 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 recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

C.20. 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognize any new assets and liabilities. Adjustments are only made to harmonies accounting policies.

3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.

6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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

C.21. Events after reporting date

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

C.22. Recent Accounting Pronouncements

The Ministry of Corporate Affairs [MCA] notifies new standards or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 01, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 09, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchange ability and estimating exchange rates when currencies are not readily exchangeable.

The amendments are effective for the year beginning from April 01, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

2. PROPERTY, PLANT & EQUIPMENT, OTHER INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS

For the year ended March 31 2025

(₹ In lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at April 01, 2024	Addition during the year	Disposal/ Adjustments	Currency translation adjustments	As at March 31, 2025	As at April 01, 2024	For the year ^	Currency translation adjustments	Disposal/ Adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Property, Plant & Equipment												
Land	3,871	2,359	-	13	6,243	80	13	2	-	95	6,148	3,791
Buildings	11,464	229	-	77	11,770	3,920	431	22	-	4,373	7,397	7,544
Plant And Machineries	56,490	3,175	267	508	59,906	39,323	2,849	447	235	42,384	17,522	17,167
Furniture And Fittings	1,291	13	7	2	1,299	872	75	2	5	944	355	419
Vehicles	406	-	-	1	407	178	44	2	-	224	183	228
Office Equipments	508	44	3	5	554	377	37	4	3	415	139	131
Electric Installation	2,855	326	89	9	3,101	1,882	184	5	84	1,987	1,114	973
Computer & Peripherals	626	6	-	1	633	544	26	-	-	570	63	82
Solar Generation Plant	2,709	102	-	(1)	2,810	875	103	(1)	-	977	1,833	1,834
Wind Mill	2,667	-	-	-	2,667	584	111	-	-	695	1,972	2,083
Right of Use Assets-Lease	385	51	114	-	322	138	65	-	65	138	184	247
TOTAL (A)	**83,272**	**6,305**	**480**	**615**	**89,712**	**48,773**	**3,938**	**483**	**392**	**52,802**	**36,910**	**34,499**
Other Intangible Assets												
Computer software	1,123	9	-	11	1,143	1,020	37	10	-	1,067	76	103
TOTAL (B)	**1,123**	**9**	**-**	**11**	**1,143**	**1,020**	**37**	**10**	**-**	**1,067**	**76**	**103**
TOTAL (A+B)	**84,395**	**6,314**	**480**	**626**	**90,855**	**49,793**	**3,975**	**493**	**392**	**53,869**	**36,986**	**34,602**

^ Note : 1. Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes ₹ 78 lakhs due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

2. The Company has not revalued any tangible & intangible asset.

3. Refer Note 35.1(b) for Capital Contractual Commitments with respect to property, plant and equipments.

Capital Work-in-progress aging schedule :

(₹ 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	15,854	286	-	-	**16,140**
Projects temporarily suspended	-	-	-	-	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

For the year ended March 31 2024

(₹ In lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at April 01, 2023	Addition during the year	Disposal/ Adjustments	Currency translation adjustments	As at March 31, 2024	As at April 01, 2023	For the year ^	Currency translation adjustments	Disposal/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Property, Plant & Equipment												
Land	1,302	2,592	-	(23)	3,871	71	13	(4)	-	80	3,791	1,231
Buildings	10,899	683	-	(118)	11,464	3,525	412	(17)	-	3,920	7,544	7,374
Plant And Machineries	54,281	3,122	549	(364)	56,490	37,528	2,623	(305)	523	39,323	17,167	16,753
Furniture And Fittings	1,222	71	-	(2)	1,291	789	82	1	-	872	419	433
Vehicles	287	157	37	(1)	406	181	36	(2)	37	178	228	106
Office Equipments	498	54	42	(2)	508	394	28	(3)	42	377	131	104
Electric Installation	2,691	181	-	(17)	2,855	1,707	183	(8)	-	1,882	973	984
Computer & Peripherals	616	13	-	(3)	626	519	27	(2)	-	544	82	97
Solar Generation Plant	2,656	53	-	-	2,709	774	100	1	-	875	1,834	1,882
Wind Mill	2,667	-	-	-	2,667	474	111	(1)	-	584	2,083	2,193
Right of Use Assets-Lease	403	146	164	-	385	201	99	(1)	161	138	247	202
TOTAL (A)	**77,522**	**7,072**	**792**	**(530)**	**83,272**	**46,163**	**3,714**	**(341)**	**763**	**48,773**	**34,499**	**31,359**
Other Intangible Assets												
Computer software	1,120	28	20	(5)	1,123	987	56	(3)	20	1,020	103	133
TOTAL (B)	**1,120**	**28**	**20**	**(5)**	**1,123**	**987**	**56**	**(3)**	**20**	**1,020**	**103**	**133**
TOTAL (A+B)	**78,642**	**7,100**	**812**	**(535)**	**84,395**	**47,150**	**3,770**	**(344)**	**783**	**49,793**	**34,602**	**31,492**

^ Note : 1. Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes ₹ 162 lakhs due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

2. The Company has not revalued any tangible & intangible asset.

3. Refer Note 35.1(b) for Capital Contractual Commitments with respect to property, plant and equipments.

Capital Work-in-progress aging schedule :

(₹ 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	1,375	140	-	-	**1,515**
Projects temporarily suspended	-	-	-	-	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

3. GOODWILL ON CONSOLIDATION

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill on Consolidation	7,175	7,175
Impairment of Goodwill (Refer Note: 30)	(2,768)	-
Total Goodwill on Consolidation	**4,407**	**7,175**

The Group tests goodwill for impairment and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

4. INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
A) **Investments in Joint venture / Associates** (Measured at Cost)		
Cleanmax Harsha Solar LLP - Capital A/c.	3	3
Capital contribution of ₹ 250,000 (Voting Rights and Profit Sharing of 50%)		
Principal Place of Business : Mumbai, India		
B) **Investments - Others**		
Measured at Cost		
Goldi Harsha Ventures LLP - Capital A/c.	0	0
(Capital contribution of ₹ 10,000 (Previous year ₹ 10,000) (Profit Sharing of 0%)		
Sunstream Green Energy One Private Limited	-	0
Current year Nil (Previous year 10 Equity Shares of ₹ 10 each) Extent of Holding-0%, Sale of Investment on January 25, 2024 Refer Note-34.6		
Measured at Amortized cost		
Investments in Bonds (Quoted)	5,011	985
Measured at FVTPL		
Investments in Mutual Funds (Quoted)	1,300	1,300
Investments in Debentures (Quoted)	-	1,513
Total Non-Current Investments	**6,314**	**3,801**
Current		
Measured at Cost		
Cleanmax Harsha Solar LLP Current A/c	569	605
Measured at Amortized cost		
Investments in Bonds (Quoted)	997	1,934
Measured at FVTPL		
Investments in Mutual Funds (Quoted)	22,644	15,880
Investments in Debentures (Quoted)	-	1,188
Total Current Investments	**24,210**	**19,607**
1) i Aggregate book value of quoted investments	29,952	22,800
ii Aggregate market value of quoted investments	29,954	22,942
2) Aggregate book value of unquoted investments	572	608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

5. LOANS & ADVANCES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
(Unsecured, Considered Good)		
Loans to Employees^	9	8
Other Loan & Advances	3	3
Total Non-Current Loans & Advances	**12**	**11**
Current		
(Unsecured, Considered Good)		
Loan To Employees^	42	26
Intercorporate deposits ^^	1,500	2,600
Other Trade Receivable -Unbilled Revenue	61	62
Other Income Receivable	72	914
Total Current Loans & Advances	**1,675**	**3,602**

^ The loans to employees are interest free and are generally for a tenure of 6 to 30 months. Includes Loan given to KMP Refer Note 34G

^^ Intercorporate deposits (ICD) given to NBFC for the purpose of Debt repayment / working capital.

6. OTHER FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Security Deposits (Unsecured, Considered Good)	178	737
Fixed deposits with maturity more than 12 months	25	-
Total Non-Current Other Financial Assets	**203**	**737**
Current		
Export Benefits Receivables	50	198
Interest Income Receivable	287	334
Security Deposits (Unsecured, Considered Good)	0	8
Total Current Other Financial Assets	**337**	**540**

7. OTHER TAX ASSETS [NET]

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Advance Payment of Tax (Net of Provisions)	308	138
Total Other Tax Assets [Net]	**308**	**138**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

8. OTHER ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Capital Advances (Unsecured, Considered Good)	3,792	2,092
Prepaid Expenses	101	111
Long Term Deferred Expenses	46	120
Total Other Non-Current Assets	**3,939**	**2,323**
Current		
(Unsecured, Considered Good)		
Balances With Statutory Authorities	2,539	1,344
Prepaid Expenses	448	457
Advances To Suppliers	386	1,388
Total Other Current Assets	**3,373**	**3,189**

9. INVENTORIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Material	5,865	7,154
Work-In-Progress	2,381	2,061
Finished Goods	11,348	12,793
Stores, Spares & Other	1,742	1,831
Toolings	11,276	11,033
Project bought-out Components-Solar	774	494
Total Inventories	**33,386**	**35,366**

1. Inventories valued at lower of cost or net realizable value
2. Inventories are hypothecated to secure working capital facilities from banks -Refer Note 14.

10. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and Considered Good		
Considered Good	30,198	31,893
Significant increase in credit risk	-	-
Credit impaired	568	50
Sub Total #	**30,766**	**31,943**
Less: Allowances for credit losses	568	50
Total Trade Receivables	**30,198**	**31,893**
# Includes trade receivable from related parties - Refer Note 34G	231	-

The average credit period on sale of goods is 0 - 130 days.

Trade receivables are hypothecated to secure working capital facilities from banks -Refer Note 14.

Ageing of Trade Receivables

(₹ In lakhs)

Particulars	Outstanding from due date of payment						Total
	Not Due (Including Unbilled)	Less than 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025							
Undisputed - Considered Good	24,421	3,274	521	415	21	1,546	30,198
Undisputed - which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	12	22	-	491	525
Disputed - Considered Good	-	-	-	-	-	-	-
Disputed - which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	43	43
Gross carrying amount	**24,421**	**3,274**	**533**	**437**	**21**	**2,080**	**30,766**
Less: Allowances for credit losses	-	-	12	22	-	534	568
Net carrying amount	**24,421**	**3,274**	**521**	**415**	**21**	**1,546**	**30,198**

(₹ In lakhs)

Particulars	Outstanding from due date of payment						Total
	Not Due (Including Unbilled)	Less than 6 Months	6-12 Months	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2024							
Undisputed - Considered Good	21,012	4,731	1,245	869	67	84	28,010
Undisputed - which have significant Increase Credit Risk	-	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	3,883	3,883
Disputed - which have significant Increase Credit Risk	-	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	50	50
Gross carrying amount	**21,012**	**4,731**	**1,245**	**869**	**67**	**4,018**	**31,943**
Less: Allowances for credit losses	-	-	-	-	-	50	50
Net carrying amount	**21,012**	**4,731**	**1,245**	**869**	**67**	**3,967**	**31,893**

11. CASH AND BANK BALANCES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents		
Cash on Hand	9	10
Balances with Banks	1,537	1,490
(Including Fixed Deposits with original maturity of 0 - 3 months)		
Total Cash and Cash Equivalents	**1,546**	**1,500**
Bank Balance Other than Cash and Cash Equivalents		
In Fixed Deposit Accounts #	5,937	10,661
Earmarked balances with bank (unpaid dividend)	0	0
Earmarked balances for CSR Unspent Amount	135	-
(Unclaimed dividend and unspent CSR balance can only be used for the purpose it has been maintained)		
Total Bank Balance Other than Cash and Cash Equivalents	**6,072**	**10,661**
Total Cash and Bank Balances	**7,618**	**12,161**
# Note :		
1. Includes Lien Marked FD maintain as a margin money for Bank Guarantees, Letter of Credits and Overdraft facility.	336	2,211
2. Includes Balance maintained in Debt Service Reserve Account as per sanction.	-	266

12. EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized Share Capital		
10,00,00,000 (Previous Year: 10,00,00,000) Equity Shares of Face Value ₹ 10/- each	10,000	10,000
Total	**10,000**	**10,000**
Issued, Subscribed and Fully Paid up Share Capital		
9,10,44,105 (Previous Year: 9,10,44,105) Equity Shares of Face Value ₹ 10/-each	9,104	9,104
Total	**9,104**	**9,104**

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

Particulars	No. of shares	Amount (₹ in lakhs)
As at April 01 2023		
At the beginning of the year	9,10,44,105	9,104
Add : Shares issued during the year	-	-
As at March 31 2024	**9,10,44,105**	**9,104**
At the beginning of the year	9,10,44,105	9,104
Add : Shares issued during the year	-	-
As at March 31 2025	**9,10,44,105**	**9,104**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

Name of Shareholder

Particulars	As at March 31, 2025 No. of shares	As at March 31, 2024 No. of shares
Mr. Rajendra Shah	1,19,19,390	1,19,19,390
Mr. Harish Rangwala	1,12,06,364	1,12,06,364
Ms. Charusheela Rangwala	1,04,46,762	1,04,46,762
Ms. Nirmala Shah	61,28,049	61,28,049
Mr. Vishal Rangwala	77,69,829	77,69,829
Mr. Pilak Shah	71,98,281	71,98,281
Plutus Wealth Management LLP	41,95,000	55,50,000
Nippon Life India Trustee Ltd	50,39,704	50,39,704
% Holding in Equity Shares		
Mr. Rajendra Shah	13.09%	13.09%
Mr. Harish Rangwala	12.31%	12.31%
Ms. Charusheela Rangwala	11.47%	11.47%
Ms. Nirmala Shah	6.73%	6.73%
Mr. Vishal Rangwala	8.53%	8.53%
Mr. Pilak Shah	7.91%	7.91%
Plutus Wealth Management LLP	4.61%	6.10%
Nippon Life India Trustee Ltd	5.54%	5.54%

Shareholding of Promoters

Particulars	As at March 31, 2025 No. of shares	As at March 31, 2024 No. of shares
Mr. Rajendra Shah	1,19,19,390	1,19,19,390
% Holding in Total Equity Shares	13.09%	13.09%
% change during the year/period	0.00%	
Mr. Harish Rangwala	1,12,06,364	1,12,06,364
% Holding in Total Equity Shares	12.31%	12.31%
% change during the year/period	0.00%	
Mr. Vishal Rangwala	77,69,829	77,69,829
% Holding in Total Equity Shares	8.53%	8.53%
% change during the year/period	0.00%	
Mr. Pilak Shah	71,98,281	71,98,281
% Holding in Total Equity Shares	7.91%	7.91%
% change during the year/period	0.00%	

13. OTHER EQUITY

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A : Capital Reserves/Merger Reserve	(116)	(116)
B : Security Premium	42,119	42,119
C : General Reserve	2,397	2,397
D : Retained Earnings	70,835	62,903
E : Foreign Currency Translation Reserve	1,131	1,036
F : Other Comprehensive Income	(56)	85
Total Other Equity	**1,16,310**	**1,08,424**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Nature and purpose of reserves:

A : Capital Reserves/Merger Reserve: The Company has recognized Capital Reserves/Merger Reserve for difference between consideration paid and net assets acquired under common control business combination transaction (Arising pursuant to the Scheme of Amalgamation). This can be utilized in accordance with the provisions of the Companies Act, 2013.

B : Security Premium: The amount received in excess of face value of the equity shares is recognized in Securities premium. It is utilized in accordance with the provisions of the Companies Act, 2013.

C : General Reserve: The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilized in accordance with the provisions of the Companies Act, 2013.

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

E : Other Comprehensive Income -Cashflow Hedge Reserve: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognized and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the profit and loss or upon discontinuation of hedge relationship.

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A : Capital Reserves/Merger Reserve		
Opening Balance	(116)	(116)
Total Capital Reserves	**(116)**	**(116)**
B : Security Premium		
Opening Balance	42,119	42,121
Less : IPO Expenses $	-	(2)
Total Security Premium	**42,119**	**42,119**
$ The IPO Expenses was related to fresh issue of 1,37,95,695 equity shares aggregating up to ₹ 45,500 lakhs. Proportionate IPO expenses as applicable to Offer for Sales(OFS) were paid / reimbursed by respective Selling Share Holders.		
C : General Reserve		
Opening Balance	2,397	2,397
Total General Reserve	**2,397**	**2,397**
D : Retained Earnings		
Opening Balance	62,903	52,723
Add: Profit during the year	8,931	11,143
Add / (Less) : Remeasurement of defined benefit plan transferred from OCI	(88)	(52)
Less : Dividend Distribution $$	(911)	(911)
Total Retained Earnings	**70,835**	**62,903**
$$ The Board of Directors, had recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2023-24 and approved by the shareholders at the Annual General Meeting, which was resulted in a total outflow of ₹ 910.44 lakhs.		
E : Foreign Currency Translation Reserve		
Opening Balance	1,036	1,315
Increase/(Decrease) During the Year	95	(279)
Total Reserves FCTR	**1,131**	**1,036**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
F : Other Comprehensive Income (OCI)		
Items that will be reclassified to statement of profit and loss		
(a) Cashflow Hedge Reserve :		
Opening Balance	85	(367)
Increase/(Decrease) During the Year	(189)	604
Income Tax relating to above item	48	(152)
Total Cashflow Hedge Reserve	**(56)**	**85**
Items that will not be reclassified to statement of profit and loss		
(b) Remeasurement of defined benefit plan :		
Opening Balance	-	-
Increase/(Decrease) During the Year	(117)	(69)
Income Tax relating to above item	29	17
Less: Transferred to retained earnings	88	52
Closing Balance	-	-
Total Other Comprehensive Income (OCI)	**(56)**	**85**

14. BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current Borrowings		
Secured		
From State Bank of India, China	-	166
From HDFC Bank Ltd.	9,372	-
From Mercedes Benz Financial Services India Pvt Ltd	110	128
Total Non-Current Borrowings	**9,482**	**294**

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

(1) HDFC Bank Ltd:

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

(2) Mercedes Benz Financial Services India Pvt Ltd -Engineering Segment -HEIL

Secured by hypothecation of Car availed out of the said term loan.

Rate of interest ranges from 8% to 10.25% p.a . on Long Term Borrowing

Terms of Repayments:

Non- Current Borrowing

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
1-2 Years	1,268	183
2-3 Years	1,270	19
3-4 Years	1,321	21
Beyond 4 Years	5,623	71
Total	**9,482**	**294**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Borrowings		
Secured		
State Bank of India	2,100	2,051
Citi Bank	7,415	8,995
YES Bank Ltd	-	600
RBL Bank Ltd	-	4,000
Current maturities of long term debt	17	547
Unsecured		
Loan from Bank	837	755
Total Current Borrowings	**10,369**	**16,948**

Security for Current Borrowings

(1) State Bank of India :

Engineering Segment -HEIL - Secured by hypothecation of entire current assets of the Engineering Division on first ranking pari passu basis with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. HSBC Ltd and HDFC Bank Ltd.

(2) Citi Bank :

Engineering Segment -HEIL - Working capital Secured by hypothecation of entire current assets of the Engineering Division on first ranking pari passu basis with State Bank of India, Yes Bank Limited, RBL Bank Limited, HSBC Ltd and HDFC Bank Limited, and secured by demand promissory note and letter of continuity for the facility amount;

Harsha China (HPBC (C) CL) - SBLC extended to Citibank, China secured by demand promissory note and letter of continuity for the facility amount;

Harsha, Romania (HEESRL) - SBLC extended to Citibank, Romania secured by first charge on inventory and receivables of Harsha Engineers Europe SRL, Romania in favor of Citibank, Romania and first charge on plant and machinery Harsha Engineers Europe SRL, Romania in favor of Citibank, Romania and secured by demand promissory note and letter of continuity for the facility amount.

(3) YES Bank Ltd :

Engineering Segment for Harsha -HEIL - 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, HSBC Ltd and HDFC Bank Limited and

Solar Segment Demand loans from banks are secured 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 -HEIL - 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, HSBC Ltd and HDFC Bank Limited and

Solar Segment Demand loans from banks are secured 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 -HEIL - 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, HSBC Ltd and RBL Bank Limited.

Engineering Segment-HEAL Secured by hypothecation of first charge on the entire stock and book debts; and Corporate guarantee of Harsha Engineers International Limited.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

15. LEASE LIABILITY

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Lease Liability	133	332
Total Non-Current Lease Liability	**133**	**332**
Current		
Lease Liability	62	93
Total Current Lease Liability	**62**	**93**

16. PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision For Employees Benefits, Refer Note : 33	1,005	859
Total Non-Current Provisions	**1,005**	**859**
Current		
Provision For Employees Benefits, Refer Note : 33	251	250
Total Current Provisions	**251**	**250**

17. DEFERRED TAX LIABILITY / (ASSET)

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability, Refer Note : 32	2,240	1,867
Less : Deferred Tax Asset, Refer Note : 32	(1,000)	(1,102)
Net Deferred Tax Liability / (Asset)	**1,240**	**765**

18. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises [#]	853	411
Dues to other than Micro and Small Enterprises	13,820	12,882
Total Trade Payables $	**14,673**	**13,293**
$ Includes trade payable to related parties -Refer Note 34G	13	1
Trade Payables are generally settled as per payment terms agreed by the Company and Vendor		
[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March are provided as under for to the extent the Company has received intimation from the "Suppliers" regarding their status under the said Act.		
A: Principal amount remaining unpaid to any supplier as at year end	853	411
B: Interest due thereon	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-

Ageing of Trade Payables

(₹ In lakhs)

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2025						
(i) MSME - Undisputed	853	-	-	-	-	853
(ii) Other - Undisputed	11,820	1,755	180	24	41	13,820
(iii) MSME - Disputed	-	-	-	-	-	-
(iv) Other - Disputed	-	-	-	-	-	-
Total	**12,673**	**1,755**	**180**	**24**	**41**	**14,673**

(₹ In lakhs)

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31 2024						
(i) MSME - Undisputed	411	-	-	-	-	411
(ii) Other - Undisputed	9,813	2,094	931	12	32	12,882
(iii) MSME - Disputed	-	-	-	-	-	-
(iv) Other - Disputed	-	-	-	-	-	-
Total	**10,224**	**2,094**	**931**	**12**	**32**	**13,293**

19. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security Deposits From Vendors	408	363
Total Other Non-Current Financial Liabilities	**408**	**363**
Current		
Interest accrued but not due on borrowings	67	12
Payables for Capital Goods	977	407
Accrued Expenses	3,026	3,862
Unpaid Dividends *	0	0
Unspent CSR Payable	135	-
Derivative Liability / (Asset)	75	(114)
Total Other Current Financial Liabilities	**4,280**	**4,167**

* There is no amount due to be transferred to Investor Education and Protection Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

20. OTHER LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Advance from Staffs	0	0
Total Non-Current Liabilities	**0**	**0**
Current		
Payable to Statutory Authorities	1,360	1,438
Advance from Customers	379	144
Advance from Staffs	19	17
Asset Retirement Obligation - ARO	31	31
Total Current Liabilities	**1,789**	**1,630**

21. CURRENT TAX LIABILITIES [NET]

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Provision for Taxation (Net of Advance Tax)	-	138
Total Current Tax Liabilities [Net]	**-**	**138**

22. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales of Products & Services		
(a) Sale of Products	1,35,683	1,33,838
(b) Sale of Services	4,180	4,402
(c) Unbilled Revenue	(1)	(169)
Total	**1,39,862**	**1,38,071**
Other Operating Revenues		
Exports Benefits	865	1,031
Solar Power Generation	38	128
Total	**903**	**1,159**
Total Revenue from Operations	**1,40,765**	**1,39,230**

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of revenue from operations with the contracted price:		
Revenue as per Contract price	1,41,092	1,38,584
Less: Discounts	(593)	(231)
Less: Sales return	(637)	(282)
Sales of Products & Services	**1,39,862**	**1,38,071**
Other Operating Revenues	903	1,159
Total Revenue from Operations	**1,40,765**	**1,39,230**

ii) Revenue disaggregation by geography:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. India	68,666	62,882
b. Outside India	72,099	76,348
Total Revenue from Operations	**1,40,765**	**1,39,230**

iii) Contract balances:

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract assets :		
Trade receivables	30,198	31,893
Contract assets (Other Trade Receivable - Un billed Revenue)	61	62
Contract liabilities :		
Advance from customers	379	144

iv) Remaining Performance obligation:

The performance obligation is satisfied upon dispatch of goods from the Company's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

23. OTHER INCOME

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income	1,315	1,484
Share of Profit/Loss from Cleanmax Harsha Solar LLP	29	29
Gain / (Loss) on Exchange Rate Fluctuation #	925	234
Miscellaneous Income	43	79
Other Income-Non -Operating		
Gain / (Loss) on Sale of Investment in Associates	-	(1)
Gain / (Loss) on Sale of Investment (Mutual funds) (measured at FVTPL)	197	292
Gain/ (Loss) on Fair value of Investments (measured at FVTPL)	1,264	832
Total Other Income	**3,773**	**2,949**
# Includes unrealized Gain / (Loss) on Exchange Rate Fluctuation	(23)	(172)

24. COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cost of Material Consumed	72,883	77,905
Total Cost of Materials Consumed	**72,883**	**77,905**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

25. CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished Goods Opening Stock	12,793	12,551
Less : Finished Goods Closing Stock	(11,348)	(12,793)
Total	**1,445**	**(242)**
Work-In-Progress Opening Stock	2,061	2,627
Less : Work-In-Progress Closing Stock	(2,381)	(2,061)
Total	**(320)**	**566**
Toolings Opening Stock	11,033	10,676
Less : Toolings Closing Stock	(11,276)	(11,033)
Total	**(243)**	**(357)**
Exchange differences on translation of foreign operations	103	(148)
Total Change In Inventories of Finished Goods & Work-In-Progress	**985**	**(181)**

26. EMPLOYEE BENEFIT EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Wages & Bonus etc.	16,254	15,129
Contribution To PF, ESI etc. ##	953	906
Staff Welfare	948	870
Total Employee Benefit Expenses	**18,155**	**16,905**

Includes expenses related to Post Employment Defined Benefit Plans Refer Note : 33

27. FINANCE COSTS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Expense		
On Term Loans	18	58
On Working Capital Loans	746	877
On Others	20	33
Other Borrowing Costs		
Bank Charges & Processing Fees	93	107
Unwinding of discount on provision of Asset Retirement Obligation	-	2
	93	**109**
Total Finance Costs	**877**	**1,077**

28. OTHER EXPENSES

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stores & Spares Consumed	4,574	4,666
Packing Materials Consumed	2,461	2,628
Power & Fuel Consumption (Net)	3,903	3,859
Machinery Repairs & Maintenance	797	716
Civil and Fabrication Charges	316	500
Installation & Commissioning Charges	1,273	980
Contractor-Labor Charges	5,057	4,830
Other Operative Expenses	419	423
Advertisement & Sales Promotion	154	183
Celebration Expenses	54	46
Computer Expenses	316	295
Corporate Social Responsibility(CSR)	306	5
Donations	30	0
Freight, Forwarding & Clearing Expenses	4,089	4,094
Insurance Premium	219	212
Legal & Professional Expenses	798	629
Rent & Fleet Management Expenses	1,038	902
Loss / (Profit) on Sale/disposal of Property, Plant & Equipment / Termination of Leases (net)	15	(19)
Repairs & Maintenance	346	282
Rates & Taxes	141	147
Security & Housekeeping Expenses	646	577
Stationery, Printing & Communication Expenses	147	139
Staff Training, Membership & Subscription	79	106
Allowances for credit losses	517	(235)
Traveling & Conveyance Expenses	424	352
Miscellaneous Expenses	1,069	898
Total Other Expenses	**29,188**	**27,215**

29. BAD DEBTS WRITE OFF / NET SUNDRY BALANCES WRITE OFF

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bad Debts Write Off / Net Sundry Balances write off	2,060	251
Total Bad Debts Write Off / Net Sundry Balances write off	**2,060**	**251**

Bad Debts Write Off / Net Sundry Balances write off are mainly pertains to Solar-EPC and O&M Segment.

30. EXCEPTIONAL ITEMS

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment of Goodwill	2,768	-
Total Exceptional Items	**2,768**	**-**

The Company has made provision for impairment of Goodwill ₹ 2,768 lakhs in the carrying value of Goodwill on Consolidation based on Fair Valuation Report of Harsha Engineers Europe SRL-Romania [HEE SRL], due to change in the business plans of HEE SRL during the year, which resulted into fair value of net assets of HEE SRL being lower than their carrying value of the investment. Consequently, there has been a diminution in the value of Goodwill on Consolidation. The provision for impairment of Goodwill has been disclosed as an exceptional item during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

31. EARNING PER SHARE (EPS)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax attributable to Equity Holders (₹ In lakhs)	8,931	11,143
Weighted average number of Equity Shares for Basic EPS	9,10,44,105	9,10,44,105
Weighted average number of Diluted Shares for Diluted EPS	9,10,44,105	9,10,44,105
Nominal value per equity share (₹)	10	10
Earnings Per Share (₹):		
Basic	9.81	12.24
Diluted	9.81	12.24

32. DEFERRED TAX ASSET/ (LIABILITIES) [NET]

Movement in Deferred Tax Balances

(₹ In lakhs)

Particulars	Net Balance April 01, 2024	For the year ended March 31, 2025		As at March 31, 2025		
		Recognized in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(1,562)	(63)	-	(1,625)	-	(1,625)
Lease Liability	55	(52)	-	3	3	-
Bonus and Ex-gratia Payable	2	2	-	4	4	-
Gratuity	85	0	-	85	85	-
Leave Encashment	116	6	-	122	122	-
ARO Assets & Provision	9	0	-	9	9	-
Derivative Assets/ liabilities	(2)	-	-	(2)	-	(2)
Cumulative C/F Business Loss	639	(139)	-	500	500	-
Provision of doubtful Debts	2	130	-	132	132	-
O&M Income Receivable	(10)	8	-	(2)	-	(2)
Amortized Merger Expenses	20	(8)	-	12	12	-
Brought Forward LTCL	21	(13)	-	8	8	-
Provision Payable	65	(57)	-	8	8	-
Provision Income/Loss of MFs	(293)	(318)	-	(611)	-	(611)
Remeasurement of Gratuity (OCI)	88	-	29	117	117	-
Deferred tax assets/ (liabilities)	**(765)**	**(504)**	**29**	**(1,240)**	**1,000**	**(2,240)**

Movement in Deferred Tax Balances

(₹ In lakhs)

Particulars	Net Balance April 01, 2023	For the year ended March 31, 2024		As at March 31, 2024		
		Recognized in Profit or Loss	OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset/ (Liabilities)						
Property, Plant & Equipment	(1,318)	(244)	-	(1,562)	-	(1,562)
Lease Liability	53	2	-	55	55	-
Bonus and Ex-gratia Payable	2	-	-	2	2	-
Gratuity	141	(56)	-	85	85	-
Leave Encashment	66	50	-	116	116	-
ERF-Curr. Revaluation	(152)	152	-	-	-	-
ARO Assets & Provision	8	1	-	9	9	-
Derivative Assets / liabilities	(127)	125	-	(2)	-	(2)
Cumulative C/F Business Loss	473	166	-	639	639	-
Provision of doubtful Debts	61	(59)	-	2	2	-
O&M Income Receivable	(15)	5	-	(10)	-	(10)
Amortized Merger Expenses	28	(8)	-	20	20	-
Brought Forward LTCL	-	21	-	21	21	-
Provision Payable	7	58	-	65	65	-
Provision Income/Loss of MFs	(84)	(209)	-	(293)	-	(293)
Cash Flow Hedge (OCI)	123	(144)	-	-	-	-
Remeasurement of Gratuity (OCI)	71	-	17	88	88	-
Deferred Tax Assets/ (Liabilities)	**(663)**	**(140)**	**17**	**(765)**	**1,102**	**(1,867)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	Age 25 & below : 5% p.a.		Age 25 & below : 5% p.a.	
	Age 25 to 45 : 3% p.a.		Age 25 to 45 : 3% p.a.	
	Age 45 & Above : 1% p.a.		Age 45 & Above : 1% p.a.	
Retirement Age	58 Years		58 Years	
Discount Rate	7.20% P.A.		7.45% P.A.	
Salary escalation	6% P.A.		6% P.A.	

The plan typically exposes the Company to actuarial risk such as –

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	2,118	459	1,883	404
Interest Cost	143	31	132	29
Transfer in /(out) Obligation	-	-	-	-
Current Service Cost	194	71	172	64
Benefit Paid	(229)	(141)	(158)	(108)
Due to change in financial Assumptions	102	24	50	12
Due to Experience adjustments	42	41	39	57
Liability at the end of the period	**2,370**	**485**	**2,118**	**459**
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	1,469	-	1,082	146
Adjustment to Opening fund	-	-	-	-
Expected Return on Plan Assets	27	-	20	(4)
Contributions	-	-	300	(153)
Interest Income	103	-	79	11
Benefit paid	-	-	(13)	-
Fair Value of Plan Assets at the end of the period	**1,599**	**-**	**1,469**	**-**

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Amount recognized in Balance Sheet				
Liability at the end of the period	2,370	485	2,118	459
Fair Value of Plan Asset at the end of the period	1,599	-	1,469	-
Net Amount recognized in Balance Sheet	**771**	**485**	**650**	**459**

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss				
Current Service cost	194	71	172	64
Interest cost	40	31	53	18
Expected return on Plan Asset	0	65	-	74
Net Expense recognized in P&L	**234**	**167**	**225**	**156**
Expense recognized in the Statement of Other Comprehensive Income				
Due to change in financial assumption	101	-	-	-
Due to change in demographic assumption	-	-	(0)	-
Due to experience adjustment	43	-	90	-
Return on plan assets excluding amounts included in interest income	(27)	-	(20)	-
Net Expense recognized in OCI	**117**	**-**	**69**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Sensitivity Analysis

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

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate 1%/-1% (FY2023-24: 1%/-1%)	(215)	253	(190)	222
Salary growth rate 1%/-1% (FY2023-24: 1%/-1%)	252	(217)	222	(193)
Withdrawal/Attrition Rate 10%/-10% (FY2023-24: 10%/-10%)	4	(2)	5	(4)
Leave salary				
Discount rate 0.5%/-0.5% (FY2023-24: 0.5%/-0.5%)	(27)	29	(24)	27
Salary growth rate 0.5%/-0.5% (FY2023-24: 0.5%/-0.5%)	29	(27)	27	(25)
Withdrawal/Attrition Rate 10%/-10% (FY2023-24: 10%/-10%)	1	(1)	1	(1)

The Maturity Profile of Defined Benefit Obligation

(₹ In lakhs)

Particulars	2024-25		2023-24	
	Gratuity	Leave Salary	Gratuity	Leave Salary
The Weighted Average Duration (Years) as at valuation date	10.33 Years	12.23 Years	10.32 Years	12.15 Years
Expected Future Cash Flows (Undiscounted)				
Year 1 Cash flow	244	42	263	54
Year 2 Cash flow	114	21	108	18
Year 3 Cash flow	113	20	107	20
Year 4 Cash flow	425	26	325	19
Year 5 Cash flow	330	24	317	25
Year 6 to Year 10 Cash flow	1042	178	1004	178

34. RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified by the Company is as follows:

A. Subsidiary/ Joint Venture :-

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

B. Director or Key Management Personnel ("KMP") :-

Name of Director or KMP	Type of Relationship
Rajendra Shah [1]	Chairman & Whole-time Director of the Company
Harish Rangwala [2]	Managing Director of the Company
Vishal Rangwala [3]	Chief Executive Officer (CEO) & Whole-time Director of the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Name of Director or KMP	Type of Relationship
Pilak Shah [4]	Chief Operating Officer (COO) & Whole-time Director of the Company
Hetal Naik [5]	Whole-time Director of the Company
Ambar Patel	Independent Director of the Company
Kunal Shah	Independent Director of the Company
Neharika Vohra [6]	Independent Director of the Company
Ramakrishnan Kasinathan	Independent Director of the Company
Bhushan Punani	Independent Director of the Company
Priyanka Agrawal Chopra [7]	Independent Director of the Company
Maulik Jasani	Vice President Finance & Group Chief Financial Officer of the Company
Kiran Mohanty	Company Secretary & Chief Compliance Officer of the Company

1 Rajendra Shah is re-appointed as Chairman & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

2 Harish Rangwala is re-appointed as Managing Director of the Company for the period of five years with effect from December 25, 2024.

3 Vishal Rangwala is re-appointed as CEO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

4 Pilak Shah is re-appointed as COO & Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

5 Hetal Naik is re-appointed as Whole-time Director of the Company for the period of five years with effect from December 25, 2024.

6 Neharika Vohra has resigned from the position of an Independent Director with effect from November 11, 2024.

7 Priyanka Agarwal Chopra is appointed as an Independent Director with effect from November 11, 2024.

C. Relative of Director or KMP with whom transactions has been made during the reporting period :-

Name of Relative of Director or KMP	Type of Relationship
Manish Naik	Relative of Hetal Naik & Rajendra Shah
Nirmala Shah	Relative of Rajendra Shah, Pilak Shah & Hetal Naik
Vaishali Shah	Relative of Pilak Shah & Rajendra Shah
Charusheela Rangwala	Relative of Harish Rangwala & Vishal Rangwala
Tanvi Rangwala	Relative of Vishal Rangwala & Harish Rangwala
Suresh Jasani	Relative of Maulik Jasani
Maulik S Jasani HUF	Relative of Maulik Jasani
Saurin Jasani	Relative of Maulik Jasani

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

Name of Director or KMP	Type of Relationship	Name of Director or KMP	Type of Relationship
Vishal Rangwala Family Trust	Promoter Group	Crest Creative Unit	Director's Significant Influence
Pilak Shah Family Trust	Promoter Group	AIA Engineering Limited	Common Directorship and Significant Influence
Munjal Rangwala Family Trust	Promoter Group	Aastha Charitable Trust for Welfare of the Mentally Challanged	Promoter's Significant Influence
Mili Mehta Family Trust	Promoter Group	Harsha Engineers International Limited Group Gratuity Trust	Post Employment Benefit Plan
Hetal Ukani Family Trust	Promoter Group		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

E. Name of Related Parties other than mentioned in above point A, B,C and D with whom transactions has been made during the year :-

Name of Party	Type of Relationship
Jyotsnaben Shah	Promoter Group
Rameshbhai Shah	Promoter Group
Hemant Kumar Sharma	Director of Subsidiary
Vidhya Sharma	Relative of Director of Subsidiary
Mircea Bucur	Director of Subsidiary
Ecological Service Inc.	Director's Significant Influence
Goldi Harsha Ventures LLP	Common Partners/Directors

F. Transactions during the year with related parties :-

1. Subsidiaries/ Joint Venture's Transactions ^ :-

(₹ In lakhs)

Particulars	Investment in Equity / Preference Share / Partner's Capital / Current A/c in Joint Venture's / Associates		Sales of Goods & License / Corporate Guarantee Charges/ Reimbursement		Purchase of Goods / Job work / Service/ Reimbursement	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Precision Bearing Components (China) Co.,Ltd.	-	-	513	687	-	23
Harsha Engineers Europe SRL	-	630	36	34	-	10
Harsha Engineers Advantek Limited	6,000	7,000	132	37	-	-
Cleanmax Harsha Solar LLP #	(36)	(6)	-	-	-	-
HASPL Americas Corporation ##	-	67	-	-	-	-
Sunstream Green Energy One Private Limited$	-	(1)	-	-	-	-
Total	**5,964**	**7,689**	**681**	**758**	**-**	**33**

(₹ In lakhs)

Particulars	Interest Income		Loans Given		Loans Received Back (Including Conversion)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Harsha Precision Bearing Components (China) Co., Ltd.	106	111	-	-	-	-
Harsha Engineers Advantek Limited	8	5	900	375	900	375
Total	**114**	**116**	**900**	**375**	**900**	**375**

(₹ In lakhs)

Particulars	Sales of Assets		Impairment Loss on Investments	
	2024-25	2023-24	2024-25	2023-24
Harsha Engineers Advantek Limited	-	122	-	-
Harsha Engineers Europe SRL $$	-	-	9,501	-
Total	**-**	**122**	**9,501**	**-**

^ Transactions with Subsidiaries are eliminated in the consolidated financials
# Includes Profit /(Loss) Share & Partner's Capital Infusion/Drawings.
Loss on Investment resulting from Subsidiary Company termination.
$ Includes Loss on Sale of Investment in Associates & Net of Purchase / Sales of Investment in Equity in Associates.
$$ Value pertains to Impairment in carrying value of Investment based on Fair Valuation Report of wholly owned subsidiary, Harsha Engineers Europe SRL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

2. Director or KMP Transactions :-

(₹ In lakhs)

Particulars	Remuneration		Dividend Paid		Sitting Fees	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Rajendra Shah	70	59	119	134	-	-
Harish Rangwala	110	89	112	112	-	-
Vishal Rangwala	204	170	78	78	-	-
Pilak Shah	199	165	72	72	-	-
Hetal Naik	87	73	34	19	-	-
Ambar Patel	-	-	-	-	1	1
Kunal Shah	-	-	-	-	1	1
Neharika Vohra	-	-	-	-	0	1
Bhushan Punani	-	-	-	-	1	1
Priyanka Agrawal Chopra	-	-	-	-	0	-
Ramakrishnan Kasinathan	-	-	0	0	1	1
Maulik Jasani	78	72	0	0	-	-
Kiran Mohanty	26	23	0	0	-	-
Total	**774**	**650**	**415**	**415**	**4**	**4**

(₹ In lakhs)

Particulars	Loans Received Back		Interest Income	
	2024-25	2023-24	2024-25	2023-24
Kiran Mohanty	0	0	0	0
Total	**0**	**0**	**0**	**0**

Remuneration of Managerial Persons is inclusive of Managerial Commission payable for financial year ended March 31, 2025 as approved by the Board at their held on May 08, 2025.

3. Relative of Director or KMP Transactions :-

(₹ In lakhs)

Particulars	Dividend Paid		Purchase of Service	
	2024-25	2023-24	2024-25	2023-24
Charusheela Rangwala	104	104	-	-
Tanvi Rangwala	45	45	-	-
Nirmala Shah	61	76	-	-
Vaishali Shah	19	19	-	-
Suresh Jasani	0	0	-	-
Saurin Jasani	0	0	-	-
Manish Naik	-	-	15	15
Maulik S Jasani HUF	-	-	2	3
Total	**230**	**245**	**17**	**18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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

(₹ In lakhs)

Particulars	Purchase of Goods / Job work / Reimbursement / CSR Contribution		Sales of Goods/ Reimbursement		Dividend Paid	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Crest Creative Unit	7	4	-	-	-	-
AIA Engineering Limited	-	-	1,511	-	-	-
Aastha Charitable Trust for Welfare of the Mentally Challanged ^	124	19	-	1	-	-
Harsha Engineers International Ltd. Group Gratuity Trust	-	300	-	-	-	-
Mili Mehta Family Trust	-	-	-	-	34	19
Vishal Rangwala Family Trust	-	-	-	-	0	0
Munjal Rangwala Family Trust	-	-	-	-	0	0
Pilak Shah Family Trust	-	-	-	-	0	0
Hetal Ukani Family Trust	-	-	-	-	0	0
Total	**131**	**323**	**1,511**	**1**	**34**	**19**

^Transactions with Aastha Charitable Trust for Welfare of the Mentally Challenged is inclusive of CSR Contribution

5. Transactions with Other Related Parties whose names mentioned in above point E :-

(₹ In lakhs)

Particulars	Remuneration		Purchase of Goods & Service / Job work		Sales of Goods/ Reimbursement	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Hemant Sharma	92	88	-	-	-	-
Mircea Bucur	89	84	-	-	-	-
Ecological Service Inc.	-	-	65	51	-	-
Goldi Harsha Ventures LLP	-	-	-	-	33	-
Vidhya Sharma	-	-	5	5	-	-
Total	**181**	**172**	**70**	**56**	**33**	**-**

(₹ In lakhs)

Particulars	Dividend Paid	
	2024-25	2023-24
Rameshbhai Shah	0	0
Jyotsanaben Shah	0	0
Total	**0**	**0**

G. Outstanding balance :-

1. Subsidiaries / Joint Ventures Outstanding ^ :-

(₹ In lakhs)

Particulars	Loan & Advance		Interest Receivable on loan		Other Receivable	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Harsha Precision Bearing Components (China) Co.,Ltd.	2,068	2,018	218	111	867	1,806
Harsha Engineers Europe SRL	-	-	-	-	36	-
Harsha Engineers Advantek Limited	-	-	-	-	28	159
Total	**2,068**	**2,018**	**218**	**111**	**930**	**1,965**

(₹ In lakhs)

Particulars	Other Payables	
	As at March 31, 2025	As at March 31, 2024
Harsha Precision Bearing Components (China)Co.,Ltd.	7	7
Total	**7**	**7**

^ Outstanding with Subsidiaries are eliminated in the consolidated financials

2. Director or KMP Outstanding :-

(₹ In lakhs)

Particulars	Remmuneration Payable		Loan Receivable	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Rajendra Shah	32	22	-	-
Harish Rangwala	71	52	-	-
Vishal Rangwala	134	103	-	-
Pilak Shah	128	98	-	-
Hetal Naik	47	37	-	-
Maulik Jasani	4	2	-	-
Kiran Mohanty	2	1	0	0
Total	**419**	**315**	**0**	**0**

Remuneration of Managerial Persons is inclusive of Managerial Remuneration payable for financial year ended March 31, 2025 as approved by the Board at their held on May 08, 2025.

3. Relatives of Director or KMP Outstanding :-

(₹ In lakhs)

Particulars	Other Payable	
	As at March 31, 2025	As at March 31, 2024
Maulik S Jasani HUF	-	0
Total	**-**	**0**

4. Enterprise on which Directors and KMPs have significant influence and control Outstanding :-

(₹ In lakhs)

Particulars	Other Receivables	
	As at March 31, 2025	As at March 31, 2024
AIA Engineering Limited	201	-
Total	**201**	**-**

5. Outstanding with Other Related Parties whose names mentioned in above point E :-

(₹ In lakhs)

Particulars	Remmuneration Payable		Other Payable		Other Receivables	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Hemant Sharma	6	5	-	-	-	-
Mircea Bucur	8	8	-	-	-	-
Ecological Service Inc.	-	-	13	-	-	-
Goldi Harsha Ventures LLP	-	-	-	-	30	-
Vidhya Sharma	-	-	0	0	-	-
Total	**14**	**13**	**13**	**0**	**30**	**-**

35. OTHER NOTES

35.1. 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 recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
(i) Letter of Credit/Corporate Guarantee/Stand by Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	7,316	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.	82	14
(iii) Claims against the Company not acknowledged as debts:		
- Income Tax Matters	6,231	3,312
- Excise, Service Tax and GST Matters	501	99
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others #	1,564	1,560
(b) CAPITAL COMMITMENTS :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	5,707	9,131

It includes ₹ 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 ₹ 686 lakhs and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favor of the Company for recovery of ₹ 686 lakhs plus interest as per the said order dated May 04, 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 pending.

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 judgments of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Note : 2. Some of the current Income tax litigation pertaining to merger entities tax credit linkage system not available with the department & Some 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 judgments of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

35.2. Key Performance Indicators

In accordance with SEBI Final Observations letter dated April 30, 2022 (the "SEBI Final Observations") with respect to the IPO, KPI's of the Company for the financial year ended March 31 2025 are listed below.

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	1,40,765	1,39,230
EBITDA[1]	18,499	20,084
EBITDA margins[2]	13.14%	14.43%
PAT	8,931	11,143
PAT margin[3]	6.34%	8.00%
Return on Average Equity[4]	7.35%	9.91%

[1] EBITDA = PBT + Depreciation and Amortization Expense + Finance Costs
[2] EBITDA margin = EBITDA / Revenue from Operations
[3] PAT margin = PAT / Revenue from Operations
[4] Return on Average Equity = PAT / ((Beginning Equity + Ending Equity)/2)

35.3. 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, 2025	For the year ended March 31, 2024
1. Segment Revenues :		
a. Engineering & Others	1,26,885	1,22,684
b. Solar-EPC and O&M	13,880	16,546
Total Revenue from Operations	**1,40,765**	**1,39,230**
2. Segment Operating Results (EBITDA) # :		
a. Engineering & Others	19,914	19,840
b. Solar-EPC and O&M	(1,415)	244
Total Operating Results (EBITDA)	**18,499**	**20,084**
3. Segment Results (PBT) :		
a. Engineering & Others	15,028	14,908
b. Solar-EPC and O&M	(1,460)	167
Total Profit Before Tax (PBT)	**13,568**	**15,075**
4. Segment Assets :		
a. Engineering & Others	1,60,853	1,46,643
b. Solar-EPC and O&M	8,253	10,017
Total Assets	**1,69,106**	**1,56,660**
5. Segment Liabilities :		
a. Engineering & Others	34,139	28,865
b. Solar-EPC and O&M	9,553	10,267
Total Liabilities	**43,692**	**39,132**

Operating Results (EBITDA) : Total Profit Before Finance Cost, Tax, Depreciation & Amortization

SECONDARY SEGMENT INFORMATION

B : Geographical Segment:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Revenues: *		
a. India	68,666	62,882
b. Outside India	72,099	76,348
Total	**1,40,765**	**1,39,230**
2. Non-current assets: **		
a. India	46,732	29,139
b. Outside India	10,801	14,153
Total	**57,533**	**43,292**

C : Information about major customers:

(₹ In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenues from Operation derived from single external customer which amount to 10% or more of the Group's revenue	15,534	18,490

* The revenue information above is based on the locations of the customers, however Sales to SEZ Unit has been Considered as Outside India.

** Non-current assets for this purpose consist of property, plant and equipment and intangible assets and Capital Work-In-Progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

35.4. Group Information:

Consolidated Financial Statements for the year comprise the Financial Statements of Harsha Engineers International Limited and its subsidiaries as well as its interest in Joint Ventures/Associates, which are as under:

Name	Principal activities	Country of incorporation	Status of Financial Statement	% equity Interest	
				For the year ended March 31, 2025	For the year ended March 31, 2024
Indian subsidiaries:					
Harsha Engineers Advantek Limited	Manufacturing of Bearing Cage & Other stamping components	India	Audited	100%	100%
Foreign subsidiaries:					
Harsha Precision Bearing Components (China) Co., Ltd.	Manufacturing of Bearing Cage	China	Unaudited	100%	100%
Harsha Engineers Europe SRL	Manufacturing of Bearing Cage	Romania	Unaudited	100%	100%
HASPL Americas Corporation (till February 29, 2024	Solar EPC	USA	Audited	-	-
Indian Joint Venture :					
Cleanmax Harsha Solar LLP	Solar EPC	India	Audited	50%	50%
Indian Associates :					
Sunstream Green Energy One Pvt. Ltd.(till January 25, 2024)	Solar EPC	India	Audited	-	0%

Statutory Group Information:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name	Net Assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ In lakhs	As % of Consolidated Profit / [Loss]	₹ In lakhs	As % of Consolidated Other Comprehensive Income	₹ In lakhs	As % of Consolidated Total Comprehensive Income	₹ In lakhs
As at March 31, 2025								
Holding Company:								
Harsha Engineers International Limited	101%	1,26,942	40%	3,535	100%	(229)	38%	3,307
Indian Subsidiaries:								
Harsha Engineers Advantek Limited	10%	13,073	1%	80	0%	0	1%	79
Foreign Subsidiaries:								
Harsha Precision Bearing Components (China) Co., Ltd.	6%	7,290	3%	292	0%	-	3%	292
Harsha Engineers Europe SRL	(1%)	(1,613)	(19%)	(1,701)	0%	-	(20%)	(1,701)
Add / (Less):								
Consolidation Adjustment	(16%)	(20,278)	75%	6,725	0%	-	77%	6,725
Total	**100%**	**1,25,414**	**100%**	**8,931**	**100%**	**(229)**	**100%**	**8,702**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Name	Net Assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ In lakhs	As % of Consolidated Profit / [Loss]	₹ In lakhs	As % of Consolidated Other Comprehensive Income	₹ In lakhs	As % of Consolidated Total Comprehensive Income	₹ In lakhs
As at March 31, 2024								
Holding Company:								
Harsha Engineers International Limited	106%	1,24,545	114%	12,691	100%	400	113%	13,091
Indian Subsidiaries:								
Harsha Engineers Advantek Limited	6%	6994	(0.00)	(16)	-	-	(0.00)	(16)
Foreign Subsidiaries:								
Harsha Precision Bearing Components (China) Co., Ltd.	6%	6,861	(2%)	(231)	0%	-	(2%)	(231)
Harsha Engineers Europe SRL	0%	111	(12%)	(1,330)	0%	-	(12%)	(1,330)
HASPL Americas Corporation (till February 29, 2024)	-	-	-	-	-	-	-	-
Add / (Less):								
Consolidation Adjustment	(18%)	(20,983)	0%	29	0%	-	0%	29
Total	**100%**	**1,17,528**	**100%**	**11,143**	**100%**	**400**	**100%**	**11,543**

35.5. Termination of the HASPL Americas Corporation:

In the previous year, M/s HASPL Americas Corporation, Wholly Owned Subsidiary of the Company had been terminated in accordance with applicable laws, as per certificate issued by State Corporation Commission, Virginia on February 29, 2024. The necessary accounting treatment had been given accordingly in in the previous financials.

35.6. Sale of Investment of the Sunstream Green Energy One Pvt. Ltd.:

In the previous year, the Company had transferred equity investment of 32,97,050 shares representing 25.9999% of Sunstream Green Energy One Private Limited ("SGEOPL"), Associates of the Company to the Sunstream Green Energy Pvt Ltd at ₹ 10/- per share in accordance with Agreement for Sale of Shares dated January 25, 2024 (Share Purchase Agreement) . On account of this transfer the Company's stake had been reduced to 10 equity shares in SGEOPL. Further the Company has also transferred remaining 10 equity shares during current financial year. The necessary accounting treatment had been given accordingly in the financials.

35.7. 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 the Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b)without specifying any terms or period of repayment.

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

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

5) The Company had transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the 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, 2025	As at March 31, 2024
HASPL Americas Corporation #	Equity Investment	Wholly Owned Subsidiary	-	-

M/s HASPL Americas Corporation has been terminated in accordance with applicable laws as per certificate issued by State Corporation Commission, Virginia on February 29, 2024. Refer Note-35.5

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

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

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

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

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

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

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

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

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

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

35.8. Dividends Proposed to be Distributed

The Board of Directors, at its meeting held on May 08, 2025, recommended the final dividend of Re. 1.00 per equity share of ₹ 10/- each for the year 2024-25, which will result in a total outflow of ₹ 910.44 lakhs. The recommended dividend is subject to the approval of the shareholders at the Annual General Meeting and hence not recognized as a liability as at March 31, 2025.

35.9. Maintenance of Books of Accounts with Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group have used multiple accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below –

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software. Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

b) One segment of the Company has used an accounting software Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

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

36.

A. Financial instruments by category and their fair value

(₹ In lakhs)

As at March 31, 2025	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments #								
Quoted	23,944	-	6,008	29,952	23,944	-	-	23,944
Loans								-
Non-Current	-	-	12	12	-	-	-	-
Current	-	-	1,675	1,675	-	-	-	-
Trade Receivables	-	-	30,198	30,198	-	-	-	-
Cash and Cash Equivalents	-	-	1,546	1,546	-	-	-	-
Other Bank Balances	-	-	6,072	6,072	-	-	-	-
Other financial assets								-
Non-Current	-	-	203	203	-	-	-	-
Current	-	-	337	337	-	-		-
Total financial assets	**23,944**	**-**	**46,051**	**69,995**	**23,944**	**-**	**-**	**23,944**
Financial liabilities								
Borrowings								
Non-current	-	-	9,482	9,482	-	-	-	-
Current	-	-	10,369	10,369	-	-	-	-
Lease liabilities								
Non-current	-	-	133	133	-	-	-	-
Current	-	-	62	62	-	-	-	-
Other financial liabilities								
Non-current	-	-	408	408	-	-	-	-
Current	-	75	4,205	4,280	75	-	-	75
Trade Payables	-	-	14,673	14,673	-	-	-	-
Total financial liabilities	**-**	**75**	**39,332**	**39,407**	**75**	**-**	**-**	**75**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ In lakhs)

As at March 31, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments #								
Quoted	19,881	-	2,919	22,800	19,881	-	-	19,881
Loans								-
Non-Current	-	-	11	11	-	-	-	-
Current	-	-	3,602	3,602	-	-	-	-
Trade Receivables	-	-	31,893	31,893	-	-	-	-
Cash and Cash Equivalents	-	-	1,500	1,500	-	-	-	-
Other Bank Balances	-	-	10,661	10,661	-	-	-	-
Other financial assets								
Non-Current	-	-	737	737	-	-	-	-
Current	-	-	540	540	-	-		-
Total financial assets	**19,881**	**-**	**51,863**	**71,744**	**19,881**	**-**	**-**	**19,881**
Financial liabilities								
Borrowings								
Non-current	-	-	294	294	-	-	-	-
Current	-	-	16,948	16,948	-	-	-	-
Lease liabilities								
Non-current	-	-	332	332	-	-	-	-
Current	-	-	93	93	-	-	-	-
Other financial liabilities								
Non-current	-	-	363	363	-	-	-	-
Current	-	(114)	4,281	4,167	(114)	-	-	(114)
Trade Payables	-	-	13,293	13,293	-	-	-	-
Total financial liabilities	**-**	**(114)**	**35,604**	**35,490**	**(114)**	**-**	**-**	**(114)**

Investments in Subsidiaries, Joint venture & Associates have been accounted at historical cost (Net of Impairment). Since these are out of scope of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the above table.

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

Types of inputs are as under:

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

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

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

B. Financial risk management

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

i. Credit risk

ii. Liquidity risk

iii. Market risk

(i) Credit risk

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

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, 2025	As at March 31, 2024
Not Due (Including Unbilled)	24,421	21,012
Less than 6 Months	3,274	4,731
6-12 Months	533	1,245
1-2 Years	437	869
2-3 Years	21	67
More than 3 Years	2,080	4,018
Gross carrying amount	**30,766**	**31,943**
Less: Allowances for credit losses	568	50
Net carrying amount	**30,198**	**31,893**

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

Other financial assets

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees 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 Asset Management Companies or Instruments.
- 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)

Particulars	Contractual cash flows based on maturity							
	As at March 31, 2025				As at March 31, 2024			
	Carrying amount	Total	Less than 12 months	More than 12 months	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities								
Non current borrowings	9,482	9,482	-	9,482	294	294	-	294
Current borrowings	10,369	10,369	10,369	-	16,948	16,948	16,948	-
Non current lease liabilities	133	133	-	133	332	332	-	332
Current lease liabilities	62	62	62	-	93	93	93	-
Non current financial liabilities	408	408	-	408	363	363	-	363
Current financial liabilities	4,280	4,280	4,280	-	4,167	4,167	4,167	-
Trade and other payables	14,673	14,673	14,673	-	13,293	13,293	13,293	-
Total	**39,407**	**39,407**	**29,384**	**10,023**	**35,490**	**35,490**	**34,501**	**989**

(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 etc. Accordingly, the foreign currency exposure has been hedged time to time after evaluating the risk associated with. This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Interest rate risk

Interest rate risk is the risk that the fair value of future cashflows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by time to time evaluating and utilizing the favorable financial instrument. There are certain fixed interest rate barring investment instruments, which are excluded to derive interest rate risk. As at the year end, the Company is exposed to changes in market interest rates through investment and bank borrowings at variable interest rates, to derive sensitivity it has been net out.

Sensitivity

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

(₹ In lakhs)

Particulars	Movement - effect on Profit Before Tax	
	As at March 31, 2025	As at March 31, 2024
50 bp increase-decrease in profits	(99.26)	(86.20)
50 bp decrease-increase in profits	99.26	86.20

C. Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

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

The Company's debt to equity ratio is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Debt #	20,046	17,667
Total equity	1,25,414	1,17,528
Debt to total equity ratio	**0.16:1 times**	**0.15:1 times**

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

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

Notes to Financial Statements 1 to 36

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No.: 110142

Date: May 08, 2025
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(CIN: L29307GJ2010PLC063233)

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 08, 2025
Place: Ahmedabad

NOTES

Harsha Engineers International Limited

Sarkhej - Bavla Road, Changodar,

Ahmedabad, Sanand - 382213, Gujarat, India.

Tel. : 91 - 2717 - 618200

Fax : 91 - 2717 - 618259

E-mail : sec@harshaengineers.com

www.harshaengineers.com




NOTICE

Notice is hereby given that the **Fifteenth (15th)** Annual General Meeting ("AGM") of members of **HARSHA ENGINEERS INTERNATIONAL LIMITED** ("the Company") will be held on Friday, September 12, 2025 at 11 a.m. (IST) through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the:

  a. Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2025 together with the reports of Board of Directors and Auditors thereon; and

  b. Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2025 together with the report of Auditors thereon.

2. To declare a final dividend on equity shares for the financial year ended March 31, 2025.

3. To appoint a director in place of Mr. Pilak Shah (DIN:00407960), who retired by rotation, being eligible for re-appointment and offers himself for the same.

4. To appoint a director in place of Ms. Hetal Naik (DIN:01990172), who retired by rotation, being eligible for re-appointment and offers herself for the same.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), 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 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s Kiran J. Mehta & Co. (FRN:000025), Cost Accountants who were appointed by the Board of Directors as Cost Auditors based on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2026, amounting to ₹ 2,10,000 p.a. (Rupees Two Lakh Ten Thousand Only) plus current applicable tax, if any and out of pocket expenses at actual, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Mr. Rajendra Shah, Chairman & Whole-time Director, Mr. Harish Rangwala, Managing Director, Mr. Vishal Rangwala, CEO & Whole-time Director, Mr. Pilak Shah, COO & Whole-time Director, Mr. Maulik Jasani, VP Finance & Group CFO and Mr. Kiran Mohanty, Company Secretary & Chief Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.

RESOLVED FURTHER THAT any director or company secretary of the Company be and is hereby authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned person for necessary action.**"**

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

"RESOLVED THAT pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Chirag Shah & Associates, Peer Reviewed Firm of Practicing Company Secretaries be and are hereby appointed as the Company Secretary in Whole-time Practice for the purpose of carrying out the Secretarial Audit of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30 at the remuneration as may be determined by the Board of Directors of the Company in consultation with Mr. Chirag Shah.

RESOLVED FURTHER THAT Mr. Rajendra Shah, Chairman & Whole-time Director, Mr. Harish Rangwala, Managing Director, Mr. Vishal Rangwala, CEO & Whole-time Director, Mr. Pilak Shah, COO & Whole-time Director, Mr. Maulik Jasani, VP Finance & Group CFO and Mr. Kiran Mohanty, Company Secretary & Chief Compliance Officer of the Company be and are hereby severally authorised to take all steps, to do all such acts, deeds and things as may be required and to file necessary forms with the appropriate authority as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT any director or company secretary of the Company be and is hereby authorised to certify the true copy of the aforesaid resolution and the same may be forwarded to any concerned authorities for necessary action.**"**

May 08, 2025 **By Order of Board of the Directors**

Registered Office:
Sarkhej-Bavla Road, Changodar,
Ahmedabad, Sanand-382213, Gujarat, India.
Tel.: 91-2717-618200, Fax: 91-2717-618259
Email-Id: sec@harshaengineers.com
Website: www.harshaengineers.com
CIN: L29307GJ2010PLC063233

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

Notes:

1. A statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Circulars issued thereunder is also annexed.

2. Pursuant to the General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter referred to as "the Circular"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circular, the AGM of the Company is being held through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not to be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the Circular, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxy by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.

5. Details of Directors retiring by rotation/ seeking appointment/ re-appointment at this AGM are provided in the "**ANNEXURE**" to the Notice.

6. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Institutional / Corporate members (i.e. other than individuals/HUF/NRI etc.) are required to send scanned copy of Board Resolution authorising their representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 06, 2025 to Friday, September 12, 2025 (both days inclusive) for the purpose of ensuing AGM of the Company.

9. Members may note that the Board at its meeting held on May 08, 2025 has recommended a final dividend of ₹ 1 (10%) per equity share of ₹ 10 each fully paid-up to the members of the Company for the financial year ended March 31, 2025. The record date for the purpose of final dividend (if declared at the AGM) is Friday, August 29, 2025. The final dividend, once approved by the members at the ensuing AGM, will be paid on or after September 18, 2025, as under:

- **In respect of Ordinary shares held in physical form:** To all the members, whose names are on the Company's Register of Members, after giving effect to valid transfer, transmission and transposition requests lodged with the Company, as on the close of business hours of Friday, August 29, 2025.
- **In respect of Ordinary shares held in electronic form:** To all beneficial owners of the shares, as of end of day Friday, August 29, 2025, as per details furnished by the Depositories for this purpose.

The members who are unable to receive the dividend directly in their bank account through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Warrant/Bankers' Cheque/Demand Draft to such members.

10. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Board has fixed

NOTICE (CONTD.)

Friday, September 05, 2025 as the cut-off date to record entitlement of the members to cast their vote electronically for the business to be transacted at the ensuing AGM of the Company.

11. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of members effective from April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the members at the rates prescribed in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, members are requested to complete and/or update their Residential status, PAN, Category as per the IT Act with their Depository Participants ("DPs") or in case shares are held in physical form, with the Company/ Registrar and Transfer Agent ("RTA") by sending documents through the e-mail on or before August 22, 2025 (Cut off period) to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption. For the detailed process, please click https://www.harshaengineers.com/InvestorRelations/sharholder-information.php and also refer to the e-mail being sent to members in this regard.

12. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF Rules.

13. In compliance with the Circular and Regulation 36 of SEBI Listing Regulations, Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent only through electronic mode to those members whose e-mail address is registered with the Company/ RTA/ Depository Participants ("DP")/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website at https://www.harshaengineers.com/InvestorRelations/financial-information.php, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of the National Securities Depository Limited ("NSDL") (agency for providing the E-Voting facility), i.e. www.evoting.nsdl.com.

14. All the members are requested to update their residential status, email address, mobile number, residential address, category and other details with their relevant depositories through their depository participants, in case the shares are held in electronic form or with the Company, in case the shares are held in physical form, as may be applicable.

15. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

16. In terms of Section 72 of the Act, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to the Company's RTA for nomination form by quoting their folio number.

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the members without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send an e-mail to sec@harshaengineers.com

18. The members may join the AGM through the VC/OAVM mode 30 (Thirty) minutes before and after 15 (fifteen) minutes the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel ("KMP"), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. as they are allowed to attend the AGM without restriction of first come first served basis.

19. The Company vide Board resolution dated May 08, 2025 has appointed M/s Chirag Shah & Associates, Practicing Company Secretaries (Membership No.: F5545; COP. No.: 3498), to act as the Scrutiniser for conducting the remote e-voting system as well as the e-voting process on the date of the AGM, in a fair and transparent manner.

20. Process and manner for Members opting for Remote e-Voting through Electronic means:

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI

Listing Regulations (as amended), and Circulars issued thereunder, the Company is providing facility of remote e-voting to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL"), an Authorised E-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.

ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, September 05, 2025, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, September 05, 2025 shall be entitled to exercise vote electronically i.e. remote e-voting or e-voting on the date of the AGM by following the procedure mentioned in this part.

iv. The remote e-voting will commence on Monday, September 08, 2025 at 9:00 am (IST) and will end on Thursday, September 11, 2025 at 5:00 p.m. (IST). During this period, the members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Friday, September 05, 2025 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 05, 2025.

vii. The Instructions For Members For E-Voting Are As Under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

<u>Step 1: Access to NSDL e-Voting system</u>

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be

NOTICE (CONTD.)

Type of shareholders	Login Method
	able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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5. Password details for shareholders other than Individual shareholders are given below:
    a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    c) How to retrieve your 'initial password'?
        (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
        (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    a) Click on "**Forgot User Details/ Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
    b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to chi118_min@yahoo.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Pallavi Mahatre (NSDL Official) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sec@harshaengineers.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to sec@harshaengineers.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** **i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

21. Instructions for Members for e-voting on the day of the AGM are as under.

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

22. Instructions for Members for attending the AGM through VC/OAVM are as under.

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by

NOTICE (CONTD.)

following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the meeting through Laptops for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at sec@harshaengineers.com. The same will be replied by the Company suitably.
6. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at sec@harshaengineers.com. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Other Members who has not registered as "Speaker Shareholder" may still ask questions to the panelist via active chat-board during the meeting.

23. Other Notes

The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting (votes cast through remote e-voting and votes cast during the AGM) and will submit a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

The results declared along with the Scrutiniser's Report shall be placed on the Company's website https://www.harshaengineers.com/InvestorRelations/stockexchange-compliance.php# and on the website of NSDL i.e. https://www.evoting.nsdl.com/ within the time stipulated under the applicable laws. It shall be communicated to the stock exchanges where the shares of the Company are listed.

Contact Details:

Company	Mr. Kiran Mohanty
	Company Secretary & Chief Compliance Officer
	E-mail Id : sec@harshaengineers.com
Registrar and Transfer Agent	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
	C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400083
	E-mail Id : enotices@in.mpms.mufg.com
Scrutiniser	Chirag Shah & Associates
	Practicing Company Secretaries
	E-mail Id : chi118_min@yahoo.com

ANNEXURE

STATEMENT / EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE ACT AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SEBI LISTING REGULATIONS AND CIRCULARS ISSUED THEREUNDER

The following Statement sets out all material facts relating to the business mentioned under Item No. 5 and 6 mentioned in the Notice:

Item No.5

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the members of the Company.

The Audit Committee and Board at its meeting held on May 08, 2025, 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 March 31, 2026 at a remuneration of ₹ 2,10,000 p.a. (Rupees Two Lakh Ten Thousand Only) plus current applicable tax, if any and out of pocket expenses at actual. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2026.

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

The Board recommend the resolution set out at Item No. 5 of the Notice for your approval as an Ordinary Resolution.

Item No.6

Pursuant to SEBI Listing Regulations, the Company is required to appoint or re-appoint a Secretarial Auditor subject to the following term limits and members approval at the AGM:

- An individual Secretarial Auditor may serve for a single term of five consecutive years; or
- A Secretarial Audit firm may serve for a maximum of two consecutive terms of five years

In view of the above, the Board at its meeting held on May 08, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s Chirag Shah & Associates, Peer Reviewed Firm of Practicing Company Secretaries, as a Secretarial Auditor of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, subject to approval of the Members at the ensuing AGM of the Company. The appointment of Secretarial Auditor shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Brief Profile:

M/s Chirag Shah and Associates was incorporated as a Proprietorship firm in the year of 2000 with a vision and having expertise knowledge by Mr. Chirag B. Shah and qualified Company Secretaries as employee at present. In the year of 2018-19, Proprietorship firm was converted in to a Partnership firm with the same name i.e. "Chirag Shah and Associates" due to expansion of practice and to serve the clients better.

M/s Chirag Shah & Associates has provided consent to act as the Secretarial Auditor of the Company and also confirmed that it is not disqualified and is eligible to be appointed as Secretarial Auditor in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s Chirag Shah & Associates as Secretarial Auditor is within the purview of the said regulation read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

Terms of appointment:

M/s Chirag Shah & Associates, Peer Reviewed Firm of Practicing Company Secretaries (Peer Review Certificate No. 6543/2025) is proposed to be appointed for the first term of five consecutive years for conducting secretarial audit of the Company from financial year 2025-26 to financial year 2029-30.

The proposed fees payable to M/s Chirag Shah & Associates is ₹ 2,00,000/- (Rupees Two Lakhs only) per annum. The said fees shall exclude applicable taxes, certification fees, reimbursements and other outlays. The Audit Committee and Board are proposed to be authorised to revise the secretarial audit fee, from time to time.

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. 6 of the Notice.

The Board recommend the resolution set out at Item No. 6 of the Notice for your approval as an Ordinary Resolution.

May 08, 2025
Registered Office:
Sarkhej-Bavla Road, Changodar,
Ahmedabad, Sanand-382213, Gujarat, India.
Tel.: 91-2717-618200, Fax: 91-2717-618259
Email-Id: sec@harshaengineers.com
Website: www.harshaengineers.com
CIN: L29307GJ2010PLC063233

By Order of Board of the Directors

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

DETAILS OF DIRECTORS RETIRING BY ROTATION

(In pursuance of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings)

1. Mr. Pilak Shah

Sl. No.	Particulars	Details
1	Father Name	Mr. Rajendra Shah
2	Date of Birth	December 18, 1981
3	Director Identification Number	00407960
4	Qualification	• Bachelor's degree in Mechanical Engineering • Master's degree in Integrated Manufacturing Systems Engineering
5	Occupation	Business
6	Association	Appointed as director in the Company w.e.f. February 05, 2016
7	Designation	COO & Whole-time Director
8	Directorship held in other Listed Entities	-
9	Nature of expertise in specific functional areas	He joined our Company in 2006, as a manager for resource management and was thereafter, appointed as director on the Board of our Company on February 05, 2016. He is responsible for the overall strategic directions of the Harsha Group. He has over 19 years of experience in the precision engineering business for bearing cages and stamped components.
10	Disclosure of relationships between directors and KMP inter-se	Mr. Pilak Shah is son of Mr. Rajendra Shah, Chairman & Whole-time Director and brother of Ms. Hetal Naik, Whole-time Director
11	Listed Entities (Other than the Company) from which he has resigned as Director in past 3 years	-
12	Memberships/Chairmanships of committees of other Listed Entities	-
13	Number of Equity Shares held in the Company	71,98,281

2. Ms. Hetal Naik

Sl. No.	Particulars	Details
1	Father Name	Mr. Rajendra Shah
2	Date of Birth	July 11, 1975
3	Director Identification Number	01990172
4	Qualification	• Bachelor's degree in Mechanical Engineering • Master of Technology in Mechanical Engineering with specialisation in Design Engineering
5	Occupation	Business
6	Association	Appointed as director in the Company w.e.f. August 12, 2021
7	Designation	Whole-time Director
8	Directorship held in other Listed Entities	-
9	Nature of expertise in specific functional areas	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 other stakeholders who may be affected by the Company's operations. She also plays a vital role in managing TPM function of the Company.

Sl. No.	Particulars	Details
10	Disclosure of relationships between directors and KMP inter-se	Ms. Hetal Naik is daughter of Mr. Rajendra Shah, Chairman & Whole-time Director and sister of Mr. Pilak Shah, COO & Whole-time Director
11	Listed Entities (Other than the Company) from which he has resigned as Director in past 3 years	-
12	Memberships/Chairmanships of committees of other Listed Entities	-
13	Number of Equity Shares held in the Company	33,96,006

For other details such as number of meetings of the board and its committees attended during the year, remuneration drawn and relationship with other directors and key managerial personnel, in respect of the above Directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

By Order of Board of the Directors

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

May 08, 2025
Registered Office:
Sarkhej-Bavla Road, Changodar,
Ahmedabad, Sanand-382213, Gujarat, India.
Tel.: 91-2717-618200, Fax: 91-2717-618259
Email-Id: sec@harshaengineers.com
Website: www.harshaengineers.com
CIN: L29307GJ2010PLC063233