



# D.V. RAMANA RAO & Co.

## CHARTERED ACCOUNTANTS

22B-6-8, KORRAPATI STREET, POWERPET, ELURU - 534 002 (A.P.) PHONE : (08812) 252168, 98853 36999, E-mail : dvrcas99@gmail.com

### Independent Auditors' Report To the Members of Harshil Enterprises (India) Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **Harshil Enterprises (India) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, Profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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



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### **Management Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or





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

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought 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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in the given audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated 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**

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as on 31<sup>st</sup> March 2021.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for D.V.Ramana Rao & Co.  
Chartered Accountants



**D. Ramana Chaitanya**  
Partner

M.No: 232256

Firm Regn No. 02918S



Place: Eluru

Date: 02<sup>nd</sup> November, 2021

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## Annexure A to Independent Auditors' Report

The annexure referred in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021. We report that:

- i) The Company has no Property, Plant and Equipment. Accordingly, paragraph 3(i)(a), (b) and (c) of the Order is not applicable to the Company.
- ii) The Company has no inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) As informed to us, the Company has not granted during the year any loans to parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us and based on our examination of the records of the company, Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions Section 186 of Companies Act, 2013 in respect of loans given, investments made. The Company has not given any guarantees and securities.
- v) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not accepted deposits from the public during the year. Therefore, paragraph 3(v) of the Order is not applicable to the Company.
- vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations for the current year. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- vii)
  - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company did not have any undisputed dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities. Accordingly, paragraph 3(vii)(a) of the Order is not applicable to the Company.
  - b) According to the information and explanations given to us, there were no disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax for the year then ended. Accordingly, paragraph 3(vii)(b) of the Order is not applicable to the Company.
- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not availed during the year any loan from any financial institution or bank nor issued any debentures or existing at the beginning of the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised any money raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.



- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) As the Company is a private limited company under Section 2(68) of the Companies Act, 2013, compliances with respect to payment of managerial remuneration under the Act is not applicable to the Company. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is a not a Nidhi Company under Section 406 (1) of the Companies Act, 2013. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, section 177 of Companies Act, 2013 is not applicable to the Company and transactions with related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with it's directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) According to the information and explanations given to us and based on our examination of the records of the company, the Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the Company.

for **D.V.Ramana Rao & Co.**  
Chartered Accountants

*Chaitanya*  
**D. Ramana Chaitanya**  
Partner

M.No: 232256

Firm Regn No. 029185



Place: Eluru

Date: 02<sup>nd</sup> November, 2021



## **Annexure - B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls over Financial Reporting 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 **Harshil Enterprises (India) Private Limited** ("the Company") as of 31 March 2021 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to explanations given to us, 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 31 March 2021, based on the criteria for internal control over financial reporting 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 **D.V.Ramana Rao & Co.**  
Chartered Accountants

*Chaitanya*

**D. Ramana Chaitanya**  
Partner

M.No: 232256

Firm Regn No. 029185



Place: Eluru

Date: 02<sup>nd</sup> November, 2021



# Harshil Enterprises (India) Private Limited

CIN: U51109AP1995PTC083195

## Balance Sheet as at 31st March, 2021

(Amount in ₹)

Particulars	Note No.	As at	
		31st March, 2021	31st March, 2020
<b>I) Equity and Liabilities</b>			
<b>1) Shareholder's funds</b>			
(a) Share Capital	3	1,61,80,000	1,61,80,000
(b) Reserves and Surplus	4	13,25,36,153	13,26,70,102
(c) Money received against share warrants			
<b>2) Share application money pending allotment</b>			
<b>3) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liability		-	-
(c) Other long term liabilities		-	-
(d) Long-term Provisions		-	-
<b>4) Current Liabilities</b>			
(a) Short term borrowings	5	77,498	75,698
(b) Trade payables			
- Dues to micro and small enterprises		-	-
- Dues to creditors other than micro and small enterprises		-	-
(d) Other current liabilities	6	1,46,200	17,700
(e) Short term provisions	7	13,420	13,420
<b>TOTAL</b>		<b>14,89,53,271</b>	<b>14,89,56,920</b>
<b>II) Assets</b>			
<b>1) Non-current assets</b>			
(a) Property, Plant and Equipments			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work in progress		-	-
(b) Deferred Tax Asset (Net)		-	-
(c) Non-current investments	8	7,79,74,000	7,79,74,000
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
<b>2) Current assets</b>			
(a) Inventories		-	-
(b) Trade receivables		-	-
(c) Cash and Bank balances	9	51,673	55,322
(d) Short-term loans and advances	10	7,09,27,598	7,09,27,598
(e) Other current assets		-	-
<b>TOTAL</b>		<b>14,89,53,271</b>	<b>14,89,56,920</b>
Significant accounting policies	2		
Notes forming part of Accounts	12-16		

As per our report of even date

for D.V.Ramana Rao & Co.,  
Chartered Accountants  
Registration No. : 029188

D. Ramana Chaitanya  
Partner  
Membership No. : 232256

for and on behalf of the Board of Directors

GBM Ratna Kumari  
Director  
DIN: 00492520

GS. Keerthana  
Director  
DIN: 05211918

Place : Eluru  
Date : 02nd November, 2021

**Harshil Enterprises (India) Private Limited**

CIN: U51109AP1995PTC083195

**Statement of Profit and Loss for the year ended 31st March, 2021**

(Amount in ₹)

Particulars	Note No.	For the year ended	
		31st March, 2021	31st March, 2020
I) Revenue from operations		-	-
II) Other Income		-	-
III) Total Revenue (I + II)		-	-
IV) Expenses			
(a) Purchase of Stock-in-Trade		-	-
(b) Employee benefits expense		-	-
(c) Finance costs		-	-
(d) Depreciation and amortization expense		-	-
(e) Other expenses	11	1,33,949	38,662
Total Expense		1,33,949	38,662
V) Profit before tax (III - IV)		(1,33,949)	(38,662)
VI) Tax expense:			
(a) Current tax		-	-
(b) MAT Credit entitlement		-	62,440
(c) Income tax of earlier years		-	-
(d) Deferred Tax		-	-
VII) Profit after tax for the year (V - VI)		(1,33,949)	(1,01,102)
Earnings per equity share	12		
(a) Basic		(0.08)	(0.06)
(b) Diluted		(0.08)	(0.06)
Significant accounting policies	2		
Notes forming part of Accounts	12-16		

As per our report of even date

for D.V.Ramana Rao & Co.  
Chartered Accountants  
Registration No. : 029185

D. Ramana Chaitanya  
Partner  
Membership No. : 232256

for and on behalf of the Board of Directors

GBM Ratna Kumari  
Director  
DIN: 00492520

GS. Keerthana  
Director  
DIN: 05211918

Place : Eluru  
Date : 02nd November, 2021



# Harshil Enterprises (India) Private Limited

CIN: U51109AP1995PTC083195

## Cash Flow Statement for the year ended 31st March, 2021

(Amount in ₹)

Particulars	For the year ended	
	31st March, 2021	31st March, 2020
<b>A) Net Cash Flows from Operating Activities</b>		
Net profit before tax and extraordinary items	(1,33,949)	(38,662)
Adjustments for :		
Depreciation	-	-
Interest expense	-	-
Interest income	-	-
Other adjustments	-	-
Operating profit before working capital changes	(1,33,949)	(38,662)
Adjustments for working capital changes		
Long-term loans and advances	-	-
Other non-current assets	-	-
Trade Receivables	-	-
Inventories	-	-
Short-term Loans and Advances	-	-
Other Current assets	-	-
Long-term Provisions	-	-
Trade payables	-	-
Other current liabilities	1,28,500	(35,400)
Short term provisions	-	13,420
Cash generated from operations	(5,449)	(60,642)
Income tax paid	-	(62,440)
Net Cash flows from/(used in) operating activities	(5,449)	(1,23,082)
<b>B) Net Cash flows from Investing Activities</b>		
Sale/ (Purchase) of Property, Plant and Equipments	-	-
Insurance claim on damages	-	-
Investment in Equity/Pref Shares	-	-
Proceeds from/ (Investment) in bank deposits	-	-
Interest Received	-	-
Net Cash flow from/(used in) Investing Activities	-	-
<b>C) Net Cash flows from Financing Activities</b>		
Proceeds/ (repayment) from or of Long-term borrowings	-	-
Increase/ (Decrease) in Short-term borrowings	1,800	40,200
Interest Expense	-	-
Dividend paid	-	-
Corporate Dividend tax	-	-
Net Cash Flow from/(used in) Financing Activities	1,800	40,200
Net change in cash and cash equivalents( A+B+C)	(3,649)	(82,882)
Cash and Cash equivalents at the beginning of the year	55,322	1,38,204
Cash and Cash equivalents at the ending of the year	51,673	55,322
Increase/(Decrease) in Cash and Cash equivalents	(3,649)	(82,882)

As per our report of even date

for D.V.Ramana Rao & Co.,

Chartered Accountants

Registration No.: 029186

Chartered Accountants

D. Ramana Chaitanya

Partner

Membership No.: 232256

for and on behalf of the Board of Directors

GBM Ratna Kumari

Director

DIN: 00492520

GS. Keerthana

Director

DIN: 05211918

Place : Eluru

Date : 02nd November, 2021

## Harshil Enterprises (India) Private Limited

### 1. Company overview:

M/s. Harshil Enterprises (India) Private Limited (CIN: U51109AP1995PTC083195) is a limited company incorporated in 1995 under the provisions of the Companies Act 1956.

### 2) Significant Accounting Policies

#### 2.1) Basis of Preparation

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2017, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

The financial statements have been prepared under historical cost convention on accrual basis and on the basis of going concern concept.

#### 2.2) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3) Tangible Assets:

Property, Plant and Equipments are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

Property, Plant and Equipments retired from active use are valued at net realisable value.

#### 2.4) Depreciation:

Depreciation on Property, Plant and Equipments is provided on written down value method at the rates prescribed in Schedule II of the Companies Act 2013, or at rates determined based on the useful life of the assets, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

#### 2.5) Impairment of assets:

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

#### 2.6) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

#### 2.7) Revenue recognition:

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

#### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### Dividends

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.





## Harshil Enterprises (India) Private Limited

### 2.8) Taxation:

Tax expense comprises of current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognized on a prudent basis for timing differences, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier years are re-assessed and recognise to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be re Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 2.9) Earning per share:

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all diluted potential equity shares.

### 2.10) Cash and bank balances:

Cash and bank balances in the balance sheet comprise cash at bank and in hand.

### 2.11) Provisions:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance date and adjusted to reflect the current best estimates.

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**Harshil Enterprises (India) Private Limited****Notes forming part of the financial statements**

(Amount in ₹)

**3. Share Capital**

Particulars	As at	
	31st March, 2021	31st March, 2020
<b>Authorised Share Capital</b> 16,80,000 Equity Shares of ₹.10 each (Previous year 16,80,000 Equity Shares of ₹10 each)	1,68,00,000	1,68,00,000
	<b>1,68,00,000</b>	<b>1,68,00,000</b>
<b>Issued Subscribed and Paid up Share Capital</b> 16,18,000 Equity Shares of ₹.10 each (Previous year 16,80,000 Equity Shares of ₹10 each)	1,61,80,000	1,61,80,000
	<b>1,61,80,000</b>	<b>1,61,80,000</b>

3.1 Reconciliation of shares outstanding at the beginning and end of the financial year:

**Equity shares:**

Particulars	31st March, 2021	31st March, 2020
Equity shares at the beginning of the year	16,18,000	16,18,000
Add: Issued during the year	-	-
Equity shares at the end of the year	16,18,000	16,18,000

**3.2. Rights, preferences and restrictions attached to Shares**

The Company has one class of equity shares having a par value of ₹.10/- each (Previous Year: ₹.10/- each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**3.3. Details of shares held by Shareholders holding more than 5 % of the shares in the company:**

Name of the Share Holder	31st March, 2021		31st March, 2020	
	No. of shares	%	No. of shares	%
G.B.M.Ratna Kumari	14,61,000	90.30%	14,61,000	90.30%

3.4. Note: The clauses (f), (h) to (l) of Note 6 (A) to Schedule III of the Companies Act, 2013 is not applicable.

**4. Reserves and Surplus**

(Amount in ₹)

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
<b>Securities Premium</b>				
Opening Balance	13,84,20,000		13,84,20,000	
Add: Additions during the year	-		-	
Balance as at the end of the year	13,84,20,000		13,84,20,000	
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year	(57,49,898)		(56,48,796)	
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	(1,33,949)		(1,01,102)	
Balance as at the end of the year	(58,83,847)		(57,49,898)	
<b>Total</b>	<b>13,25,36,153</b>		<b>13,26,70,102</b>	

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**Harshil Enterprises (India) Private Limited****Notes forming part of the financial statements**

(Amount in ₹)

**5. Short-term Borrowings**

Particulars	As at	
	31st March, 2021	31st March, 2020
(Unsecured Borrowings) from Related Parties GBM Ratna Kumari	77,498	75,698
	77,498	75,698

**Terms of Borrowings:**

1. Interest Rate is Nil
2. Repayable on Demand

**6. Other current liabilities**

(Amount in ₹)

Particulars	As at	
	31st March, 2021	31st March, 2020
Other Liabilities		
Statutory liabilities	11,750	-
Creditors for expenses	98,450	-
Provision for expenses	36,000	17,700
	1,46,200	17,700

**7. Short term provisions**

(Amount in ₹)

Particulars	As at	
	31st March, 2021	31st March, 2020
Provision for Income tax (Net)	13,420	13,420
	13,420	13,420

**8. Non Current Investments**

(Amount in ₹)

Particulars	As at	
	31st March, 2021	31st March, 2020
Non-Trade Investments (Un-quoted at Cost) Manoj Vaibhav Gems 'N' Jewellers Private Limited (10,64,400 equity shares of ₹ 10/- each fully paid up)	7,79,74,000	7,79,74,000
	7,79,74,000	7,79,74,000

**9. Cash and Bank balances**

(Amount in ₹)

Particulars	As at	
	31st March, 2021	31st March, 2020
Cash and cash equivalents		
Cash on hand	6,679	9,679
Balances with banks - In Current Accounts	44,994	45,643
	51,673	55,322



**Harshil Enterprises (India) Private Limited****Notes forming part of the financial statements**

(Amount in ₹)

**10. Short-Term Loans and Advances**

Particulars	As at	
	31st March, 2021	31st March, 2020
(Unsecured, Considered Good)		
Loans and advances to related parties		
GBM Ratna Kumari (HUF)	7,09,27,598	7,09,27,598
	7,09,27,598	7,09,27,598

**11. Other expenses**

(Amount in ₹)

Particulars	For the year ended	
	31st March, 2021	31st March, 2020
Remuneration to Auditor		
for audit services	62,300	17,700
for taxation matters	-	-
for other matters	-	-
out of pocket expenses	-	-
Bank charges	649	742
Legal & Professional charges	53,000	-
Filing fees	1,800	6,800
Miscellaneous expenses	16,200	13,420
	1,33,949	38,662

**12. Earnings per Share**

(Amount in ₹)

Particulars	For the year ended	
	31st March, 2021	31st March, 2020
a) Net Profit/ (Loss) for Basic/ Diluted EPS		
Profit/ (Loss) after tax	(1,33,949)	(1,01,102)
Add/(Less): Prior period items	(1,33,949)	(1,01,102)
b) Number of Shares for Basic/ Diluted EPS		
No. of Equity Shares	16,18,000	16,18,000
c) Basic/Diluted Earning per Share	(0.08)	(0.06)

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**Harshil Enterprises (India) Private Limited****Notes forming part of the financial statements****13. Reporting on related parties****a) List of related parties**

Nature of relationship	Name of the related party
1. Key Management Personnel (KMP)	GBM Ratna Kumari Director GS. Keerthana Director
2. Relatives of KMP	GS. Sinduri Daughter of Director
3. Enterprises over which KMP having Significant Influence	Manoj Vaibhav Gems 'N' Jewellers Private Limited GBM Ratna Kumari (HUF) Vaibhav jewellers Private Limited Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited

**b) Transactions with related parties during the year (Net)**

(Amount in ₹)

Particulars	For the year ended	For the year ended
	31st March, 2021	31st March, 2020
1. With Key Management Personnel		
Advance (taken)/ repaid		
Mrs.GBM Ratna Kumari	(1,800)	(40,200)
Enterprises over which KMP having Significant Influence		
Advance (taken)/repaid/given		
GBM Ratna Kumari (HUF)	-	-

**c) Balances outstanding at year end**

(Amount in ₹)

Particulars	For the year ended	For the year ended
	31st March, 2021	31st March, 2020
Balance receivable/ (Payable)		
GBM Ratna Kumari	(77,498)	(75,698)
GBM Ratna Kumari (HUF)	7,09,27,598	7,09,27,598

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## Harshil Enterprises (India) Private Limited

### Notes forming part of the financial statements

#### 14. Estimation uncertainty relating to the global health pandemic on COVID-19:

In assessing the recoverability of short-term loans and advances the Company has considered internal and external information up to the date of approval of these financial statements. The Company has evaluated recoverability and realization of assets based on current indicators of future economic conditions and expects to recover and realize the carrying amount of these assets. The impact of the global health pandemic may be different estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material charges to future economic conditions.

15. All the figures have been rounded off to the nearest rupee.

16. Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification.

for D.V.Ramana Rao & Co.,  
Chartered Accountants  
Registration No.: 029185

D. Ramana Chaitanya  
Partner  
Membership No. : 232256

Place : Eluru  
Date : 02nd November, 2021

for and on behalf of the Board of Directors

GBM Ratna Kumar  
Director  
DIN: 00492520

GS. Keerthana  
Director  
DIN: 05211918