

Independent Auditor's Report

To the Members of **M/S ADHIRATH POWER AND HOLDINGS PRIVATE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of ADHIRATH POWER AND HOLDINGS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and the Statement of Cash Flows for the year then ended on that date, and notes to the financial statements, including a summary of 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 read with the Companies (Accounting Standards) Rules, 2021, ("AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and its profit/loss for the year ended on that date.

Basis for Opinion

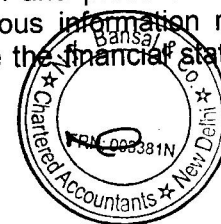
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no matters to report in this regard.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 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 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and other 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 of 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.

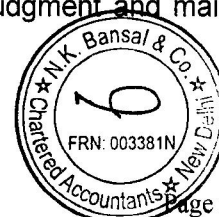
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

Those Board of Directors 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 judgment and maintain professional skepticism throughout the audit. We also:



- 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.
- Obtain an understanding of internal financial controls 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of 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 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 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss and the Statement of Cash Flows 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) This report does not include report relating to internal financial controls as required u/s 143(3)(i) pursuant to Notification No. GSR 583(E) dated 13.06.2017 issued by MCA.
- 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place:- New Delhi
Date: 26/05/2022
UDIN:22081699AJTEFU7259

For N K Bansal and Co
Chartered Accountants
FRN: 003381N



Naresh Kumar Bansal
Partner
MembershipNo.081699



The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

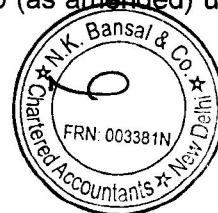
We report that:

- i. The Company does not have any Property, Plant & equipment and Intangible Assets, Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- ii. (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and hence reporting under clause 3 (iii) (a) (b) (c), (d), (e) and (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and rules framed there under to the extent notified.
- vi. The company is not required to maintain any cost records as per section 148(1) of the companies Act, 2013. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii.
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and services tax, cess and other statutory dues applicable to it.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2022 for a period of more than six months from the date they become payable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix.
 - (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

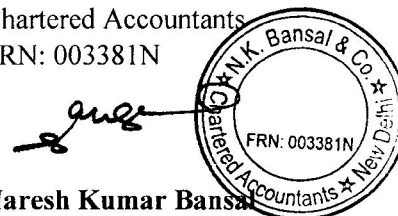


- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, there are no funds raised on short-term basis that have 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.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company had allotted 10,00,000(Ten Lakh Only) unsecured Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each carrying coupon rate of 6% p.a. aggregating to Rs. 1,00,00,000/- (Rupees One Crore Only) on 19-Nov-2021 on a right basis in the proportion of 100 (One Hundred) 6% Unsecured OCDs for every 1 (One) Equity Share of the Company to the equity shareholders of the Company whose names appear on the register of members of the Company as on the record date i.e.,26th October, 2021.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company is not required to frame whistle-blower policy and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required under Ind AS-24 Related Party disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act.



- (xiv) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business. Hence, reporting under clause 3(xiv) (b) of the Order is not applicable.
- (xv) According to 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 as referred to in section 192 of Companies Act, 2013. Therefore provisions of 3(xv) are not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(b) In our opinion and according to the information and explanation provided to us, read with Core Investment Companies (Reserve Bank) Directions, 2016 as amended from time to time, the Group has three CICs of which two are unregistered CICs. The third CIC is presently registered as NBFC and approval for its recognition as CIC is awaited from RBI.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The company does not satisfy any of the criteria provided in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount for CSR activities and hence the requirements of reporting under clause (xx) (a) and (b) of the order is not applicable.

For N K Bansal and Co
Chartered Accountants
FRN: 003381N



Naresh Kumar Bansal
Partner
Membership No. 081699

Place: New Delhi
Date: 26/05/2022
UDIN:22081699AJTEFU7259

Adhirath Power & Holdings Private Limited

Balance Sheet as at 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

| | Notes | (₹ In Lacs) | (₹ In Lacs) |
|-----------------------------------|-------|------------------------|------------------------|
| | | As at 31 March 2022 | As at 31 March 2021 |
| ASSETS | | | |
| Non-current assets | | | |
| Financial assets | | | |
| (i) Investments in Joint venture | 4 | 85.50 | 85.50 |
| | | 85.50 | 85.50 |
| Current assets | | | |
| Financial assets | | | |
| (i) Cash and cash equivalents | 5 | 7.00 | 5.53 |
| (ii) Loan & Advances(Assets) | 6 | 0.25 | 0.75 |
| (iii) Other Current Assets | 7 | - | 4.16 |
| | | 7.25 | 10.44 |
| Total | | 92.75 | 95.94 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8 | 1.00 | 1.00 |
| Other equity | | | |
| (i) Reserve and surplus | 9 | (8.54) | (4.43) |
| | | (7.54) | (3.43) |
| Non -Current Liabilities | | | |
| Long Term Borrowings | 10 | 100.00 | - |
| | | 100.00 | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Short term borrowings | 11 | - | 86.00 |
| (ii) Trade payables | 12 | 0.30 | 0.30 |
| (iii) Other financial liabilities | 13 | - | 12.38 |
| | | 0.30 | 98.68 |
| Other current liabilities | 14 | - | 0.69 |
| | | - | 0.69 |
| | | 92.75 | 95.94 |

See accompanying notes 1 to 31 forming part of the financial statements

As per our report of even date attached

For N. K. Bansal & Co.

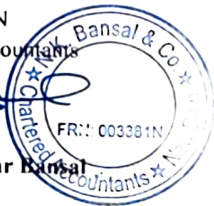
FRN. 003381N


Chartered Accountants


Naresh Kumar Bansal

Partner

Membership No. 081699




Sonal Popli

Company Secretary


M.No. A44167

For and on behalf of the Board of Directors


Shweta Chadha

Director

DIN:08304397


Leena Rawal

Director

DIN:03575675

Place: New Delhi

Date: 26/05/2022

UDIN: 22081699AJTEFU7259

Adhirath Power & Holdings Private Limited

Statement of Profit and Loss For The Year Ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

| | | (₹ In Lacs) For the year ended 31 March 2022 | (₹ In Lacs) For the period 31 March 2021 |
|---|-------|--|--|
| Continuing operations | Notes | | |
| Revenue from operations | 15 | - | 9.00 |
| Other income | 16 | 0.05 | 0.04 |
| | | <u>0.05</u> | <u>9.04</u> |
| Expenses | | | |
| Finance cost | 17 | 3.88 | 6.88 |
| Other expenses | 18 | 0.45 | 0.53 |
| | | <u>4.33</u> | <u>7.41</u> |
| Profit from continuing operations before tax | | (4.28) | 1.63 |
| Tax expense | | - | 0.43 |
| Current tax | | 0.16 | 0.05 |
| Income Tax Adjustment for Earlier Year | | <u>(0.16)</u> | <u>0.37</u> |
| Profit from continuing operations | | <u>(4.12)</u> | <u>1.26</u> |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (4.12) | 1.26 |
| Earnings per share - continuing operations | 19 | (41.16) | 12.56 |


See accompanying notes 1 to 31 forming part of the financial statements

As per our report of even date attached

For N. K. Bansal & Co.

FRN. 003381N


Chartered Accountants



Naresh Kumar Bansal
Partner
Membership No. 081699




Sonal Popli
Company Secretary
M.No. A44167

For and on behalf of the Board of Directors


Shweta Chadha
Director
DIN:08304397


Leena Rawal
Director
DIN:03575675

Place: New Delhi

Date: 26/05/2022

UDIN: 22081699AJTEFU7259

Adhirath Power & Holdings Private Limited
Cash flow statement for the year ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

| | (₹ In Lacs) For the year ended 31 March 2022 | (₹ In Lacs) For the period 31 March 2021 |
|---|--|--|
| Cash flow from operating activities | | |
| Net profit before tax | (4.28) | 1.63 |
| Operating (loss) before working capital changes | (4.28) | 1.63 |
| Adjustments for : | | |
| Increase/ (decrease) in financial liabilities | (12.38) | (0.77) |
| (Increase)/ decrease in financial assets | 4.66 | 3.97 |
| Increase/ (decrease) in other current liabilities | (0.69) | - |
| Cash generated from operations | (12.69) | 4.83 |
| Income taxes refund / (paid) | 0.16 | - |
| Net cash from / (used) in operating activities (A) | (12.53) | 4.83 |
| Cash flow from Investing Activities(B) | | |
| Sale of current investments | - | - |
| Purchase of property, plant and equipment | - | - |
| Net cash flow (used in) investing activities (B) | - | - |
| Cash flow from financing activities | | |
| Optionally Convertible Debentures | 100.00 | - |
| Inter Corporate Loan Repaid | (86.00) | - |
| Net cash from / (used) financing activities (C) | 14.00 | - |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 1.47 | 4.83 |
| Cash and cash equivalents at the end of the year | 5.53 | 0.70 |
| Cash and cash equivalents at the end of the year | 7.00 | 5.53 |
| Components of cash and cash equivalents | | |
| Cash on hand | 0.03 | 0.04 |
| Balances with schedule banks on current accounts | 6.97 | 5.49 |
| | 7.00 | 5.53 |

The accompanying notes are an integral part of these financial statements
As per our report of even date

N. K. Bansal & Co.

Chartered Accountants

Firm Regn. No. 00378



Naresh Kumar Bansal

Partner

Membership No. 081699

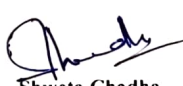
Place: New Delhi

Date: 26/05/2022

UDIN: 22081699AJTEFU7259


Sonal Popli
Company Secretary
M.No. A44167

For and on behalf of Board of Directors


Shweta Chadha
Director
DIN:08304397


Leena Rawal
Director
DIN:03575675

Adhirath Power & Holdings Private Limited
Statement of Changes in Equity for the year March 31, 2022


A Equity Share Capital

| Balance of Equity Share Capital | As at | Change | As at | Change during | As at |
|---------------------------------|---------------|-----------------|---------------|---------------|---------------|
| | 31 March 2020 | during the year | 31 March 2021 | the year | 31 March 2022 |
| | 100,000 | - | 100,000 | - | 100,000 |

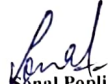
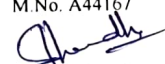
B. Other equity

| Particulars | (₹ In Lacs) |
|----------------------------|-------------------|
| | Retained Earnings |
| As at 31.03.2020 | (5.68) |
| Movement During FY 20-21 | |
| Profit of the year | 1.26 |
| Other comprehensive income | - |
| As at 31.03.2021 | (4.43) |
| Movement During FY 21-22 | |
| Profit of the year | (4.12) |
| Other comprehensive income | - |
| As at 31.03.2022 | (8.54) |

As per our report of even date attached
 For N.K. Bansal & Co
 FRN 003381N
 Chartered Accountants


Naresh Kumar Bansal
 Partner
 M No 081699
 Date 26/05/2022
 UDIN: 22081699AJTEFU7259




Sonal Popli
 Company Secretary
 M.No. A44167

Shweta Chadha
 Director
 DIN:08304397

For and on behalf of the Board of Directors


Leena Rawal
 Director
 DIN: 03575675

Adhirath Power & Holdings Private Limited

Notes forming part of standalone financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

Corporate Information

The Adhirath Power and Holdings Private Limited is a Company domiciled in India and incorporated under the provision of the Indian Companies Act, 2013.

Significant accounting policies and critical accounting estimate and judgments:

Basis of preparation, measurement and significant accounting policies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain assets and liabilities which have been measured at fair value/amortised cost:

Current vis-à-vis non-current classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA."

"An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current."

"A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current."



The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

(c) Critical accounting estimates and judgments

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(d) Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in activate markets, their fair value is measures using valuation technique. The input to these models is taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to this assumption could affect the fair value of financial instrument.



Significant Accounting policies

a. Revenue recognition and other income:

The Company is following the mercantile system of accounting and the income and expenses are recognized on accrual basis.

b. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized 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, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss 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 the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.



The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

c. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
 - A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
 - A present obligation arises from the past event, when no reliable estimate is possible
 - A present obligation arises from the past event, unless the probability of outflow is remote.
- Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

d. Cash & Cash Equivalents

Cash and cash equivalents includes cash in hand and balance at bank, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.



(a) Investment and other Financial Assets

Classification

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

- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and
- those measured at amortized cost.

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction 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 the statement of profit and loss.

Equity investments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the Statement of profit and loss as other income when the Company's right to receive payments is established. However Investment in Joint Venture is measured at cost

Changes in the fair value of financial assets at FVPL are recognized in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.



Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(b) Financial Liabilities & Equity**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



Earnings per share

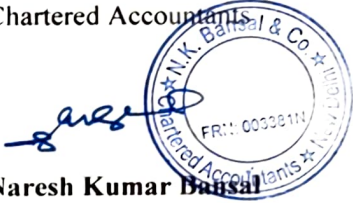
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period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

As per our report of even date attached

For N. K. Bansal & Co.

FRN. 003381N


Chartered Accountants



Naresh Kumar Bansal
Partner
Membership No. 081699


Sonal Popli
Company Secretary
M.No.44167

For and on behalf of the Board of Directors


Shweta Chadha
Director
DIN:08304397


Leena Rawal
Director
DIN:03575675

Place: New Delhi
Date: 26/05/2022
UDIN: 22081699AJTEFU7259

Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

| | No. of Shares | (₹ In Lacs) As at 31 March 2022 | No. of Shares | (₹ In Lacs) As at 31 March 2021 |
|--|----------------|---------------------------------------|----------------|---------------------------------------|
| 4 Non-current Investments | | | | |
| <i>(At amortized cost)</i> | | | | |
| Unquoted | | | | |
| Hareon Dalmia Solar Private Limited (Refer note no. 30 and 31) | 854,988 | 85.50 | 854,988 | 85.50 |
| | <u>854,988</u> | <u>85.50</u> | <u>854,988</u> | <u>85.50</u> |
| 5 Cash and cash equivalents | | | | |
| | | As at 31 March 2022 | | As at 31 March 2021 |
| Balances with banks in | | | | |
| Current accounts | | 6.97 | | 5.49 |
| Cash on hand | | 0.03 | | 0.04 |
| | | <u>7.00</u> | | <u>5.53</u> |
| 6 Loan & Advances (Assets) | | | | |
| Income Tax | | 0.25 | | 0.75 |
| | | <u>0.25</u> | | <u>0.75</u> |
| 7 Other Current Assets | | | | |
| Other Receivables | | - | | 4.16 |
| | | <u>-</u> | | <u>4.16</u> |
| 8 Equity share capital | | | | |
| Authorised | | | | |
| Equity share capital of face value Rs 10 each | | | | |
| Number of Shares 10,000 as at 31 March 2022 (Previous year 10,000) | | 1.00 | | 1.00 |
| | | <u>1.00</u> | | <u>1.00</u> |
| Issued, subscribed and paid up | | | | |
| Equity share capital of face value Rs 10 each | | | | |
| Number of Shares 10,000 as at 31 March 2022 (Previous year 10,000) | | 1.00 | | 1.00 |
| | | <u>1.00</u> | | <u>1.00</u> |

Notes:

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the period

| | No. of Shares | As at 31 March 2022 | No. of Shares | As at 31 March 2021 |
|------------------------------|---------------|------------------------|---------------|------------------------|
| At the beginning of the year | 10,000 | 1.00 | 10,000 | 1.00 |
| Addition During the Year | - | - | - | - |
| At the end of the year | <u>10,000</u> | <u>1.00</u> | <u>10,000</u> | <u>1.00</u> |

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a face value of Rs 10 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares

Equity shares held by holding company

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|-----------|---------------------|-----------|
| No. of Shares | % holding | No. of Shares | % holding |
| 10000 | 1.00 | 10000 | 1.00 |

Equity shares held by promoters at the end of the year

| S.No. | Promoters Name | No. of Shares | % of total Shares | % Change during the year |
|-------|--|---------------|-------------------|--------------------------|
| 1 | Alirox Abrasives Limited (Holding Company) | 10000 | 100 | Nil |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

| | (₹ In Lacs) | (₹ In Lacs) |
|--|----------------------|----------------------|
| | As at | As at |
| | 31 March 2022 | 31 March 2021 |
| 9 Other equity | | |
| Retained Earnings | | |
| Deficit in Statement of Profit and Loss | | |
| Opening balance | (4.43) | (5.68) |
| Add: Loss during the year | (4.12) | 1.26 |
| Other equity | (8.54) | (4.43) |
| | As at | As at |
| | 31 March 2022 | 31 March 2021 |

10 Long Term Borrowings

| | | |
|--|---------------|----------|
| 6% Unsecured Optionally Convertible Debentures (OCDs) of Rs. 10/- each | 100.00 | - |
| | 100.00 | - |

Silent terms & conditions

1 i) Redeemed at any time before the expiry of 10 years from the date of allotment. Coupon rate of 6% p.a. shall be payable only upon there being distributable cash profits and such coupon shall become due and payable only at the time of redemption; **or**

ii) converted into such number of equity shares of Rs.10/- each at any time before the expiry of 10 Years (max.) and at any time after a period of 2 years from the date of allotment at the option of issuer.

2. If the option to convert Unsecured OCDs into equity shares is exercised then such conversion will be for equal value of initial investment i.e Rs. 1,00,00,000/- (One Crore). The price at which Unsecured OCDs will be converted into equity shares shall be higher of the following:

a) Fair Market Value determined as on the date of the conversion; or

b) Rs. 10/- per equity share (being the Face Value of the equity shares)

at any time before the expiry of 10 years and at any time after a period of 2 years from the date of allotment at the option of issuer.

3. Coupon rate of 6% p.a. shall be payable only upon there being distributable cash profits and at the time of redemption, only if Unsecured OCDs are redeemed. In case Unsecured OCDs are converted into equity shares then coupon rate will not be applicable.

| | As at | As at |
|---------------------------------|----------------------|----------------------|
| | 31 March 2022 | 31 March 2021 |
| 11 Short Term Borrowings | | |
| From related party | - | 86.00 |
| | - | 86.00 |

Terms of repayment : The loan is repayable on demand at an interest rate of 7% p.a



| | (₹ In Lacs) | (₹ In Lacs) |
|---|----------------------|----------------------|
| | As at | As at |
| | <u>31 March 2022</u> | <u>31 March 2021</u> |
| 12 Trade Payable | | |
| Total outstanding dues of micro and small enterprises | 0.30 | 0.30 |
| Others | <u>0.30</u> | <u>0.30</u> |
| | As at | As at |
| | <u>31 March 2022</u> | <u>31 March 2021</u> |
| 13 Others | | |
| Interest accrued and due on borrowings -Related Party | - | 12.38 |
| | <u>-</u> | <u>12.38</u> |
| | As at | As at |
| | <u>31 March 2022</u> | <u>31 March 2021</u> |
| 14 Other current liabilities | | |
| Statutory taxes payable | - | 0.69 |
| | <u>-</u> | <u>0.69</u> |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

| | (₹ In Lacs) | (₹ In Lacs) |
|---|---|---|
| | For the year ended 31 March 2022 | For the period 31 March 2021 |
| 15 Revenue from Operations | | |
| Service Charges Received | - | 9.00 |
| | <u>-</u> | <u>9.00</u> |
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| 16 Other Income | | |
| Interest on IT Refund | 0.05 | 0.04 |
| | <u>0.05</u> | <u>0.04</u> |
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| 17 Finance cost | | |
| Interest on borrowings | 3.88 | 6.88 |
| | <u>3.88</u> | <u>6.88</u> |
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| 18 Other expenses | | |
| Legal and professional Charges | 0.14 | 0.21 |
| Audit Fees | 0.30 | 0.30 |
| Miscellaneous expenses | 0.02 | 0.02 |
| | <u>0.45</u> | <u>0.53</u> |
| 19 Earning per share | | |
| | UOM | |
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Net profit after tax before OCI for calculation of Rs. In Lakhs basic and diluted EPS (Rs.) | (4.12) | 1.26 |
| Total number of equity shares outstanding at the end of the year | Number 10,000.00 | 10,000.00 |
| Basic and Diluted EPS (Rs.) | Rupees (41.16) | 12.56 |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

| 20 Financial instruments by category | | ₹ In Lacs | | | ₹ In Lacs | | |
|--------------------------------------|------------------------------------|-----------|-------|----------------|-----------|-------|----------------|
| | | 31-Mar-22 | | | 31-Mar-21 | | |
| S. No | Particulars | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| 1 | Financial assets | | | | | | |
| | Investment | - | - | 85.50 | - | - | 85.50 |
| | Cash and cash equivalents | - | - | 7.00 | - | - | 5.53 |
| | Total financial assets | - | - | 92.50 | - | - | 91.03 |
| 2 | Financial liabilities | | | | | | |
| | Trade payables | - | - | 0.30 | - | - | 0.30 |
| | Other | - | - | - | - | - | 12.38 |
| | Total financial liabilities | - | - | 0.30 | - | - | 12.68 |

21 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

| S.No | Particulars | Fair value hierarchy | As at 31 March 2022 | | As at 31 March 2021 | |
|------|--|----------------------|---------------------|------------|---------------------|--------------|
| | | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| 1 | Financial assets designated at fair value through profit and loss | | | | | |
| 2 | Financial assets designated at fair value through other comprehensive income | | | | | |
| 3 | Financial assets designated at amortised cost | | | | | |
| | <u>Non- Current</u> | | | | | |
| a) | Investment * | | 85.50 | 85.50 | 85.50 | 85.50 |
| | <u>Current</u> | | | | | |
| b) | Trade receivables * | | - | - | - | - |
| c) | Cash & Cash Equivalents * | | 7.00 | 7 | 6 | 5.53 |
| | | | 92.50 | 93 | 91 | 91.03 |

| S.No | Particulars | Fair value hierarchy | As at March 31, 2022 | | As at March 31, 2021 | |
|------|--|----------------------|----------------------|------------|----------------------|--------------|
| | | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| 1 | Financial liability designated at amortised cost | | | | | |
| | <u>Current</u> | | | | | |
| | - Trade payables * | | 0.30 | 0 | 0 | 0.30 |
| | - Other financial liability * | | - | - | 12 | 12.38 |
| | | | 0.30 | 0 | 13 | 12.68 |

* The carrying amounts are considered to be the same as their fair values due to short term nature.



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

22 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity

| Particulars | (₹ In Lacs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2022 | As at 31st March, 2021 |
| Debt | 100 | 98 |
| Cash & bank balances | 7 | 6 |
| Net Debt | 93 | 93 |
| Total Equity | (8) | (3) |
| Net debt to equity ratio (Gearing Ratio) | (12.33) | (27.09) |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

23 Financial Risk Management Objectives And Policies

The Company is exposed to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

23.1 Risk management framework

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

23.2 Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each year end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in accounting policy. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|----------------------------------|------------------------|--------------------|------------------------|--------------------|
| | Upto 6 months | More than 6 months | Upto 6 months | More than 6 months |
| Gross carrying amount (A) | - | - | - | - |
| Expected Credit Losses (B) | - | - | - | - |
| Net Carrying Amount (A-B) | - | - | - | - |

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017

23.3 Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign payables on account import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts.

The details of foreign currency exposure is as follows

| Particulars | FY 2017-18 | | FY 2016-17 | |
|----------------------------------|------------|-------|------------|-------|
| | In FC | In Rs | In FC | In Rs |
| Unhedged Foreign Currency | | | | |
| Other Payables | - | - | - | - |
| Receivable | | | | |
| Trade Receivable | - | - | - | - |

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current

| Particulars | Increase / Decrease in basis points | Impact on Profit & Loss Account | |
|------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| | | For the year Period 31st March, 2018 | For the year Period 31st March, 2017 |
| Euro Sensitivity | + 50 basis points | 0.24 | |
| | - 50 basis points | (0.24) | |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

(All the amounts are in Rupees, unless otherwise stated)

23.4 Liquidity risk management

Liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due and to close out market position. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines, by matching the maturity profiles of financial assets and liabilities, continuously monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

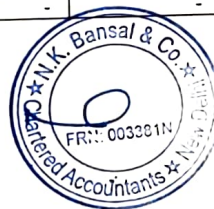
The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for :

- all non-derivative financial liabilities.

The amount disclosed in the table are the contractual undiscounted cash flow.

| Contractual maturities of financial liabilities 31 March 2022 | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 year to 2 year | Between 2 year to 5 year | Total |
|--|--------------------|----------------------|--------------------|--------------------------|--------------------------|-------------|
| Non-derivatives | | | | | | |
| Borrowings | - | - | - | - | - | 0.30 |
| Trade Payables | 0.30 | - | - | - | - | 0.30 |
| Total non-derivative liabilities | 0.30 | - | - | - | - | 0.30 |

| Contractual maturities of financial liabilities 31 March 2021 | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 year to 2 year | Between 2 year to 5 year | Total |
|--|--------------------|----------------------|--------------------|--------------------------|--------------------------|-------------|
| Non-derivatives | | | | | | |
| Borrowings | - | - | - | - | - | 0.30 |
| Trade Payables | 0.30 | - | - | - | - | 0.30 |
| Total non-derivative liabilities | 0.30 | - | - | - | - | 0.30 |



Adhirath Power & Holdings Private Limited

Notes forming part of financial statements for the year ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

24 Disclosure as per Ind AS 27 on 'Separate financial statements'

The Company has following investment, in a subsidiaries, joint ventures and associates

| Name of the entity | Principal place of business | Relationships | Percentage of ownership interest | |
|-----------------------------------|-----------------------------|---------------|----------------------------------|---------------------|
| | | | As at 31 March 2022 | As at 31 March 2021 |
| Hareon Dalmia Solar Power Limited | India | Joint Venture | 20.00% | 20.00% |

25 The company has complied with the number of layers in respects of investments prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017'

26 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 Mar 2022 and 31 Mar 2021

27 The provisions of Section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company for the financial year 2021-22

Notes forming part of standalone financial statements for the year ended 31 March 2022
(All the amounts are in Rupees, unless otherwise stated)

28 Related Party Disclosures

(a) Name of the related party with whom transactions has taken place during the year and nature of related party relationship:

- (i) **Related parties where control exists : Nil**
- (ii) **Holding Company**
Alirox Abrasives Limited
- (iii) **Joint Venture**
Hareon Dalmia Solar Private Limited
- (iv) **Enterprises having Promoters in common with the Company with which transaction has taken place during the year :**
Keshav Power Limited, Vanika Commercial and Holdings Pvt. Ltd., Alirox Abrasives Limited and Shree Nirman Limited

(b) Transactions during the year with related parties

The company has entered into transactions with certain related parties as listed below. The Board of Directors considers such transactions to be in normal course of business

| Particulars | Holding Company | Enterprise having significant influence | Total Rs. (In Lacs) |
|---|-----------------|---|---------------------|
| Issue of 6% Unsecured Optionally Convertible Debentures (OCDs) | | | |
| Alirox Abrasives Limited | 100.00 (-) | - | 100.00 (-) |
| Interest accrued and due on inter corporate deposits | | | |
| -Keshav Power Limited | - | 3.88 (6.88) | 3.88 (6.88) |
| Service Charges | | | |
| -Vanika Commercial & Holdings Pvt Ltd | (-) | - | (4.50) |
| -Shree Nirman Limited | (-) | - | (4.50) |
| Amount Payable at year end | | | |
| Keshav Power Limited | - | - | (98.38) |



29. Disclosure of Ratios

| Ratio | Basis | Numerator | Denominator | FY 2021-22 | FY 2020-21 | % Variance | Reason for Variance |
|----------------------------------|-------|---|--|------------|------------|------------|--|
| Current ratio | Times | Current Assets | Current Liabilities | 24.58 | 0.11 | 23298.48% | Short term borrowings repaid alongwith interest |
| Debt-equity ratio | Times | Long term borrowings+Short term borrowings | Total Shareholder's Fund | (13.26) | (25.09) | -47.16% | Due to increase in long term borrowings and repayment of short term borrowings |
| Debt service coverage ratio | Times | Profit for the year+ Finance costs+ Depreciation and amortiation expenses+Exceptional items | (Finance Costs + lease payments+Scheduled principal repayments of long term borrowings) of the next one year | (0.00) | 1.18 | (1.00) | |
| Return on equity ratio | % | Profit for the year | Average Shareholder's Equity | 0.75 | (0.31) | -342.25% | No revenue from operations during the year |
| Inventory turnover ratio | Times | Revenue from operations | Average Inventory | - | - | - | - |
| Trade receivables turnover ratio | Times | Revenue from operations | Trade receivables Closing | - | - | - | - |
| Trade payables turnover ratio | Times | Total Purchases | Trade Payables Closing | - | - | - | - |
| Net capital turnover ratio | Times | Revenue from operations | Average Working Capital | - | - | - | - |
| Net profit ratio | % | Profit for the year | Revenue from operations | - | (0.10) | (100.00%) | Due to decrease in income during the year |
| Return on capital employed | % | Earning before interest and taxes | Capital Employed(i) | (0.00) | 0.10 | -104.22% | Due to decrease in profits during the year |
| Return on investment | % | Income generated from invested funds | Average invested funds in investments | - | - | - | - |

(i) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

30 The Company has entered into an JV agreement dated 24 July 2015 through its affiliates Keshav Power Limited with Hareon Solar Singapore Private Limited for setting up a plant for manufacturing photovoltaic ("PV") cells. In pursuant to the terms of the agreement, the company has invested 20% into Hareon Dalmia Solar Private Limited. Keshav Power Limited has given a notice for breach of the joint venture agreement on 26 March 2018 to Hareon Solar Singapore Private Limited for delay / failure on account of non-fulfillment of its obligations under the JV agreement and claim for the losses incurred under the JV agreement. No provision for diminution in the value of investment in Hareon Dalmia Solar Private Limited is made at this stage by the Company, since the recoverable amount is more than the carrying amount. Hence Investment in joint venture is recognised at cost.

31 The Company is holding 20% equity stake in Hareon Dalmia Solar Private Limited (Joint Venture). As per Ind AS-31 venturer shall recognize investment in joint venture as per equity method, but due to non-availability of financial statements of Co-venturer, the company is unable to consolidate the accounts of above in terms of Ind AS-31.

As per our report of even date attached

For N. K. Bansal & Co.
FRN 003381N
Chartered Accountants



Naresh Kumar Bansal
Partner
Membership No. 081699




Sonal Pooji
Company Secretary
M.No. A44167

For and on behalf of the Board of Directors



Shweta Chadha
Director
DIN 08304397



Leena Rawal
Director
DIN 03575675

Place: New Delhi
Date: 26/05/2022
UDIN: 22081699AJTEFU7259