

Independent Auditor's Report

To the Members of Hareon Dalmia Solar Pvt. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hareon Dalmia Solar Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information including notes to the financial statements (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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss, changes in equity 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 23 to the financial statements which states that the project land allotted to the company by Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) has been cancelled due to delay in implementation of the project. The company is exploring all the available options for recovering the refund amount due from APIIC. This has impacted the future plans of the company.

Our opinion is not modified in respect of this matter.



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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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance 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.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof.

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; 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.

The Board of Directors is 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



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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 scepticism throughout the audit. We also:

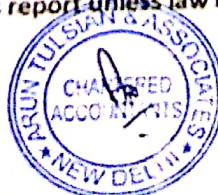
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public



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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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, 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 of the aforesaid financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash flow and the Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, thereof;
 - e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year in accordance with the provisions of section 197 of the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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;



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- iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub- clause (i) and (ii) of Rule 11 (e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement;
- v. The company has not paid nor declared any dividend for the year under report; and
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: New Delhi
Date: May 15, 2023

For ARUN TULSIAN & ASSOCIATES
Chartered Accountants
Firm Registration No. 011131N



UDIN-23089907/BSGUMZP8119

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Annexure A to the Independent Auditor's Report to the members of Hareon Dalmia Solar Pvt. Ltd. on its financial statements dated May 15, 2023.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. The Company does not have any property, plant & equipment and any intangible assets. Therefore, reporting under clause i (a) to (e) of the Order is not required.
- ii. (a) The company does not have any inventory and, therefore, reporting under clause ii (a) of the Order is not required.
(b) The company does not have any sanctioned working capital limits from any bank or financial institution.
- iii. (a) As per the information & explanations given to us and records examined by us, the Company has not provided any security or guarantee or loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnership or any other parties during the year. During the year, the company has purchased securities of a company from the open market, which is not prejudicial to company's interest.
(b) In our opinion, as there are no guarantees, security and loans & advances, reporting on clause iii (a) to (f) except clause iii (b) of the Order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, in respect of this investment, provisions of section 185 and 186 of the Act have been duly complied with. Apart from this, there are no other investments, loans, guarantees and security to any other entity.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, during the year with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, customs duty, value added tax, service tax, goods and service tax, excise duty and cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not taken any loans from any lender. Hence reporting under clause ix (a) of the Order is not applicable to the company.
- (b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lenders or government or any government authority.
- (c) The company does not have any term loans.
- (d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) Since the company does not have any subsidiaries, reporting under clause 3(ix) (e) & (f) is not applicable to the company.
- x. (a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause (x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause (x) (b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause (xi) (a) and (b) of the Order is not applicable to the Company.
- (c) According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and upto the date of the report) by the company.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly reporting under clause (xii) (a) to (c) 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, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- xiv. The Company is not required to have an internal audit system.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) to (c) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information & explanations furnished by the management, there are four core investment companies within the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, out of which two are unregistered CIC's and the other two are presently registered as NBFC and approval for their recognition as CIC is awaited from RBI.
- xvii. In our opinion, and according to the information and explanations provided to us, the Company has incurred cash losses in the current financial year of Rs. 11.49 lacs but there are no cash losses in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year. There have been no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.



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- xx. The provisions of section 135 of the Act are not applicable to the company for the year under report and, therefore, reporting under clause xx (a) and (b) of the Order is not applicable to the company.

Place: New Delhi
Date: May 15, 2023

For **ARUN TULSIAN & ASSOCIATES**
Chartered Accountants
Firm Registration No. 011131N



ARUN K. TULSIAN
Partner

Membership No: 089907
UDIN- 23089507 BGUM2PE119

"Annexure B" to the Independent Auditor's Report to the members of Hareon Dalmia Solar Pvt. Ltd. ('the Company') on its financial statements dated May 15, 2023.

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") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Hareon Dalmia Solar Pvt. Ltd. ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial 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.

Place: New Delhi
Date: May 15, 2023

For **ARUN TULSIAN & ASSOCIATES**
Chartered Accountants
Firm Registration No. 011131N



ARUN K. TULSIAN
Partner

Membership No: 089907

UDIN- 23083907B6UMZPQ119

Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Balance Sheet as at 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 ₹ | As at 31 March 2022 ₹ |
|--|-------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Financial assets | | | |
| (i) Investments | 2 | 39.34 | - |
| (b) Non-Current Tax Assets (Net) | 3 | 0.43 | - |
| (c) Deferred Tax Assets (Net) | 4 | 0.53 | 0.53 |
| Total Non-Current Assets | | 40.30 | 0.53 |
| Current assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 5 | 11.02 | 297.88 |
| (b) Other Current Assets | 6 | 1,877.59 | 1,874.57 |
| Total Current Assets | | 1,888.61 | 2,172.45 |
| TOTAL ASSETS | | 1,928.91 | 2,172.98 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 7 | 85.50 | 427.50 |
| (b) Other Equity | 8 | 1,843.11 | 1,742.77 |
| Total Equity | | 1,928.61 | 2,170.27 |
| LIABILITIES | | | |
| Non -Current Liabilities | | | |
| Total Non-Current Liabilities | | - | - |
| Current Liabilities | | | |
| (a) Other Current Liabilities | 9 | 0.30 | 1.31 |
| (b) Provisions | 10 | - | 1.40 |
| Total Current Liabilities | | 0.30 | 2.71 |
| TOTAL EQUITY AND LIABILITIES | | 1,928.91 | 2,172.98 |
| Summary of Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Arun Tulsian & Associates

Chartered Accountants

FRN-011131N

Arun K. Tulsian

Partner

Membership No. 089907



Signed at New Delhi on May 15th, 2023

For and on behalf of the Board of Directors

Hareon Dalmia Solar Private Limited

Sanjay Naveen Gowan

Director

DIN: 02306942

Laxmi Chaudhary Negi

Director

DIN: 09772227

Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are ₹ in lakh, unless otherwise stated)

| Particulars | Notes | For the year ended March 31, 2023 ₹ | For the year ended March 31, 2022 ₹ |
|---|-------|---|---|
| Revenue from operations | | - | - |
| Other income | 11 | 3.50 | 8.48 |
| | | <u>3.50</u> | <u>8.48</u> |
| Expenses | | | |
| Other expenses | 12 | 14.94 | 3.46 |
| | | <u>14.94</u> | <u>3.46</u> |
| Profit from continuing operations before tax | | (11.46) | 5.02 |
| Tax expense | | - | 2.26 |
| Current tax | | - | 0.15 |
| Income Tax Adjustment for Earlier Year | | 0.03 | 2.41 |
| | | <u>0.03</u> | <u>2.41</u> |
| Profit from continuing operations | | <u>(11.49)</u> | <u>2.61</u> |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (11.49) | 2.61 |
| Earnings per share - continuing operations | 13 | (0.68) | 0.06 |

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Arun Tulsian & Associates

Chartered Accountants

FRN011131N

Arun K. Tulsian

Partner

Membership No. 089907

**For and on behalf of the Board of Directors**

Hareon Dalmia Solar Private Limited

Sanjay Naveen Gowan

Director

DIN: 02306942

Laxmi Chaudhary Negi

Director

DIN: 09772227

Signed at New Delhi on May 15th, 2023

Hareon Dalmia Solar Private Limited
CIN : U74900DL2015FTC279902

Cash flow statement for the year ended 31 March 2023
(All amounts are ₹ in lakh, unless otherwise stated)

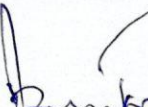
| Particulars | For the year ended March 31, 2023 ₹ | For the year ended March 31, 2022 ₹ |
|--|---|---|
| A. Cash flow from operating activities | | |
| Net profit before tax | (11.46) | 5.02 |
| Adjustments for: | | |
| Interest Income | (3.50) | (8.48) |
| Operating profit before working capital changes | (14.96) | (3.46) |
| Movement in working capital | | |
| - (Increase) in Short-term loans and advances | (3.02) | (0.32) |
| - Increase/ (decrease) in other current liabilities | (1.01) | 0.10 |
| Cash generated from / (used in) operating activities post working capital changes | (18.99) | (3.68) |
| Income taxes refund / (paid) | (1.86) | (2.70) |
| Net cash generated from/ (used in) used in operating activities (A) | (20.85) | (6.38) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| - (Increase)/Decrease in Investments | (39.34) | - |
| - Buy back of Equity Shares | (230.17) | - |
| Interest received from deposits | 3.50 | 8.48 |
| Proceeds on maturity of fixed deposits | - | - |
| Net cash used in investing activities (B) | (266.01) | 8.48 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short term borrowings | - | - |
| Loan repaid to holding company | - | - |
| Optionally Convertible Debentures | - | - |
| Inter Corporate Loan Repaid | - | - |
| Net cash flow from financing activities (C) | - | - |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (286.87) | 2.10 |
| Cash and cash equivalents at the beginning of the year | 297.88 | 295.78 |
| Cash and cash equivalents at the end of the year | 11.02 | 297.88 |
| Components of cash and cash equivalents | | |
| Cash on hand | - | - |
| Balances with schedule banks | | |
| on current accounts | 11.02 | 297.88 |
| | 11.02 | 297.88 |

Summary of Significant Accounting Policies

1

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

For Arun Tulsian & Associates
Chartered Accountants
FRN011131N


Arun K. Tulsian
Partner
Membership No. 089907



For and on behalf of Board of Directors
Hareon Dalmia Solar Private Limited


Sanjay Naveen Gowan
Director
DIN: 02306942


Laxmi Chaudhary Negi
Director
DIN: 09772227

Signed at New Delhi on May 15th, 2023

Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Statement of changes in equity for the year ended March 31, 2023

(All amounts are ₹ in lakh, unless otherwise stated)

A. Equity share capital

| Equity Shares of Rs. 10 each issued, subscribed and fully paid up | Number | ₹ |
|---|-----------|--------|
| As at April 1, 2021 | 42,74,988 | 427.50 |
| Issue of share | - | - |
| As at March 31, 2022 | 42,74,988 | 427.50 |
| Shares bought back during the year (Refer Note 21) | 34,19,990 | 342.00 |
| As at March 31, 2023 | 8,54,998 | 769.50 |

B. Other equity

| Particulars | Reserves and surplus | | | | |
|---|----------------------|---------------------------------------|----------------------------|---------------------------|------------|
| | Capital reserve ₹ | Capital Redemption Reserve ₹ | Securities Premium ₹ | Retained Earnings ₹ | Total ₹ |
| As at April 1, 2021 | - | - | 3,069 | (1,328.84) | 1,740.16 |
| Profit/(Loss) for the year | - | - | - | 2.60 | 2.60 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income/ (loss) for the year | - | - | - | 2.60 | 2.60 |
| As at March 31, 2022 | - | - | 3,069.00 | (1,326.24) | 1,742.76 |
| Profit/(Loss) for the year | - | - | - | (11.49) | (11.49) |
| Adjustment pursuant shares bought back | 111.83 | 342.00 | (342.00) | - | 111.83 |
| As at March 31, 2023 | 111.83 | 342.00 | 2,727.00 | (1,337.73) | 1,843.11 |

For description of the purposes of each reserve within equity, refer note 8 of financial statements.

As per our report of even date

For Arun Tulsian & Associates

Chartered Accountants

FRN - 011131N

Arun K. Tulsian

Partner

Membership No. 089907



For and on behalf of the Board of Directors of

Hareon Dalmia Solar Private Limited

Sanjay Naveen Gowan

Director

DIN: 02306942

Laxmi Chaudhary Negi

Director

DIN: 09772227

Signed at New Delhi on May 15th, 2023

HAREON DALMIA SOLAR PRIVATE LIMITED

CIN : U74900DL2015FTC279902

Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

Note : 1 Significant Accounting Policies

A. Corporate Information

Hareon Dalmia Solar Private Limited, formerly known as Hareon Solar Power Private Limited (also referred as 'the Company'), is a company registered under the Companies Act, 2013. The name of the Company has been changed w.e.f. May 13, 2016.

The registered office of the Company is located at 7F-7H (7th Floor), Hansalaya Building, 15, Barakhamba Road New Delhi-110001. The Company is a subsidiary of Adhirath Power and Holdings Private Limited.

The Company is engaged in the business of development of all kinds of energy, power and other related projects including but not limited to solar power, thermal power projects, hydro power projects, and to act as consultants and technical advisors in the field of energy, power & other related fields.

B. Basis of preparation, measurement and significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are set out below.

Statement of Compliance:

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with and relevant amendment Rules issued there under. (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

C. Borrowing Costs:

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

D. Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

E. Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.



HAREON DALMIA SOLAR PRIVATE LIMITED

CIN : U74900DL2015FTC279902

Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

F. 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.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

G. Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

H. Income Taxes :

Tax expense comprises of current tax 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income tax reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

I. Fair Value Measurement :

The Company measures financial instruments at fair value at each balance sheet date. 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 at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the Asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



HAREON DALMIA SOLAR PRIVATE LIMITED

CIN : U74900DL2015FTC279902

Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

J. Financial Instruments :

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

Financial Assets :

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement :

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets at amortised cost (debt instruments),
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments) :

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to other receivables.

Financial assets at fair value through profit or loss (FVTPL) :

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in unquoted equity shares as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.



HAREON DALMIA SOLAR PRIVATE LIMITED

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Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

De-recognition :

A financial asset is derecognised when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets :

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balance.

b) Trade receivables.

Financial liabilities :

Initial recognition and measurement :

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company financial liabilities include trade and other payables.

Subsequent measurement :

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

- Financial liabilities at fair value through profit or loss

- Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings :

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

K. Non-current assets (or disposal group) held for sale and discontinued operation :

Non-current assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.



HAREON DALMIA SOLAR PRIVATE LIMITED

CIN : U74900DL2015FTC279902

Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

L. 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.

Contingent assets :

Contingent assets are neither recognized nor disclosed



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Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Notes to Financial Statements for the Year Ended March 31, 2023

(All amounts are ₹ in lakh, unless otherwise stated)

| | As at 31 March 2023 ₹ | As at 31 March 2022 ₹ |
|---|-----------------------------|-----------------------------|
| Note : 2 Non-current Investments | | |
| (At amortized cost) | | |
| Unquoted | | |
| 11% Secured, Redeemable Non Convertible Debentures (Strides Pharma Science Limited) of ₹ 10/- each (March 31st, 2022 Nil) | 39.34 | - |
| | <u>39.34</u> | <u>-</u> |
| Note : 3 Non-Current Tax Assets (Net) | | |
| Income Tax Assets (Net) | | |
| TDS Receivable | 0.43 | - |
| | <u>0.43</u> | <u>-</u> |
| Note : 4 Deferred Tax Assets (Net) | | |
| Deferred tax assets | | |
| Disallowance u/s 35D | 0.53 | 0.53 |
| Related to property, plant and equipment | - | - |
| Provision for gratuity, etc. | - | - |
| Total (a) | <u>0.53</u> | <u>0.53</u> |
| Deferred tax liability | | |
| Disallowance under the Income-tax Act | - | - |
| Total (b) | <u>-</u> | <u>-</u> |
| Net deferred tax assets {(net) = [(a) – (b)]} | <u>0.53</u> | <u>0.53</u> |
| Note : 5 Cash and cash equivalents | | |
| Balances with banks in | | |
| Current accounts | 11.02 | 5.40 |
| Fixed deposits | - | 292.48 |
| | <u>11.02</u> | <u>297.88</u> |
| Note : 6 Other Current Assets | | |
| Recoverable from APIIC (Refer Note 23) | 1,834.44 | 1,834.44 |
| Deposits with Government Authorities | 42.51 | 40.13 |
| Interest accrued on non-current investments | 0.64 | - |
| | <u>1,877.59</u> | <u>1,874.57</u> |



Hareon Dalmia Solar Private Limited
CIN : U74900DL2015FTC279902

Notes to Financial Statements for the Year Ended March 31, 2023
(All amounts are ₹ in lakh, unless otherwise stated)

Note : 7 Equity Share Capital

| | As at 31 March 2023 ₹ | As at 31 March 2022 ₹ |
|---|-----------------------------|-----------------------------|
| Authorised | | |
| 1,65,00,000 (March 31, 2022 : 1,65,00,000) Equity Shares* of ₹ 10 each | 1,650.00 | 1,650.00 |
| | 1,650.00 | 1,650.00 |
| Issued subscribed and Paid up | | |
| 8,54,998 (March 31, 2022 : 42,74,988) Equity Shares* of ₹ 10 each fully paid up | 85.50 | 427.50 |
| | 85.50 | 427.50 |

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

| Particulars | No. of Shares | As at 31 March 2023 ₹ | No. of Shares | As at 31 March 2022 ₹ |
|--|------------------|-----------------------------|------------------|-----------------------------|
| At the beginning of the year | 42,74,988 | 427.50 | 42,74,988 | 427.50 |
| Shares bought back during the year (Refer Note 21) | 34,19,990 | 342.00 | - | - |
| At the end of the year | 8,54,998 | 85.50 | 42,74,988 | 427.50 |

b) Terms/Rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.

The Equity Shareholders of the Company are entitled to get the dividend as and when proposed by the Board of Directors and approved by shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity shares held by holding company

| Particulars | As at 31 March 2023 ₹ | | As at 31 March 2022 ₹ | |
|---|-----------------------------|-----------|-----------------------------|-----------|
| | No of shares* | % Holding | No of shares* | % Holding |
| Adhirath Power and Holdings Private Limited | 8,54,988 | 99.99% | 8,54,988 | 20.00% |
| Hareon Solar Singapore Pvt Ltd# | - | - | 34,19,990 | 80.00% |

d) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 March 2023 ₹ | | As at 31 March 2022 ₹ | |
|---|-----------------------------|-----------|-----------------------------|-----------|
| | No of shares* | % Holding | No of shares* | % Holding |
| Adhirath Power and Holdings Private Limited | 8,54,988 | 99.99% | 8,54,988 | 20.00% |
| Hareon Solar Singapore Pvt Ltd# | - | - | 34,19,990 | 80.00% |



Hareon Dalmia Solar Private Limited
CIN : U74900DL2015FTC279902

Notes to Financial Statements for the Year Ended March 31, 2023
(All amounts are ₹ in lakh, unless otherwise stated)

e) Shares held by promoters at the end of the year

Equity Shares of ₹ 10/- each as at March 31, 2023

| Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % of change during the year |
|---|--|------------------------|--------------------------------------|-------------------|-----------------------------|
| Adhirath Power and Holdings Private Limited | 8,54,988 | - | 8,54,988 | 99.99% | 80% |
| Keshav Power Limited | 10 | | 10 | 0.01% | - |
| Hareon Solar Singapore Pvt Ltd# | 34,19,990 | (34,19,990) | - | - | (80%) |

Bought back during the year (Refer Note 21)

Shares held by promoters at the end of the year

Equity Shares of ₹ 10/- each as at March 31, 2022

| Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % of change during the year |
|---|--|------------------------|--------------------------------------|-------------------|-----------------------------|
| Adhirath Power and Holdings Private Limited | 8,54,988 | - | 8,54,988 | 20.00% | - |
| Keshav Power Limited | 10 | - | 10 | 0.00% | - |
| Hareon Solar Singapore Pvt Ltd | 34,19,990 | - | 34,19,990 | 80.00% | - |

- f) The Company has not allotted any fully paid up equity shares without payment being received in cash and by way of bonus shares during the period of five years immediately preceding the balance sheet date.. The Company has bought back 34,19,990 equity shares during the year in compliance of section 68 of the Act (Refer note 21)

* The number of shares in the above note are absolute numbers.

Note : 8 Other Equity

| | As at 31 March 2023 ₹ | As at 31 March 2022 ₹ |
|--|-----------------------------|-----------------------------|
| a) Capital Reserve | | |
| At the beginning of the year | - | - |
| Pursuant shares bought back (Refer Note 21) | 111.83 | - |
| At the end of the year | 111.83 | - |
| b) Capital Redemption Reserve | | |
| At the beginning of the year | - | - |
| Pursuant shares bought back (Refer Note 21) | 342.00 | - |
| Closing balance | 342.00 | - |
| d) Securities premium account | | |
| At the beginning of the year | 3,069.00 | 3,069.00 |
| Pursuant shares bought back (Refer Note 21) | (342.00) | - |
| At the end of the year | 2,727.00 | 3,069.00 |
| e) Retained Earnings | | |
| Deficit in Statement of Profit and Loss | | |
| At the beginning of the year | (1,326.23) | (1,328.84) |
| Profit/(Loss) during the year | (11.49) | 2.61 |
| At the end of the year | (1,337.72) | (1,326.23) |
| Total other equity | 1,843.11 | 1,742.77 |

Description of nature and purpose of each reserve

| | |
|------------------------------|--|
| Capital Reserve : | Represents difference between face value and buy back of the equity share. The reserve capital in nature and is not free for distribution |
| Capital Redemption Reserve : | Represents face value of total no of equity share bought back during the year. |
| Securities premium account | Represents the amount of received in excess of face value of the equity shares from the investor. It will be utilized in according's with the provisions of the Act. |
| Retained Earnings : | Represent the amounts of profits that company has earned till date. Retained earnings is a free reserve available to the company. |

Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

| | As at 31 March 2023 ₹ | As at 31 March 2022 ₹ |
|---|-----------------------------|-----------------------------|
| Note : 9 | | |
| Other current liabilities | | |
| Statutory dues | 0.00 | - |
| Expenses Payable | 0.30 | 1.31 |
| | 0.30 | 1.31 |
| Note : 10 | | |
| Provisions | | |
| Provision for Income-tax (net of prepaid taxes/TDS) | - | 1.40 |
| | - | 1.40 |



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Hareon Dalmia Solar Private Limited

CIN : U74900DL2015FTC279902

Notes to Financial Statements for the Year Ended March 31, 2023

(All amounts are ₹ in lakh, unless otherwise stated)

| | | For the year ended 31 March 2023 ₹ | For the year ended 31 March 2022 ₹ |
|-------------------------------|--|--|--|
| Note : 11 Other Income | | | |
| Interest income on | | | |
| - Bank deposits | | 1.44 | 8.48 |
| - Non- current investment | | 2.06 | - |
| | | <u>3.50</u> | <u>8.48</u> |

| | | For the year ended 31 March 2023 ₹ | For the year ended 31 March 2022 ₹ |
|---------------------------------|------|--|--|
| Note : 12 Other expenses | | | |
| Legal and professional Charges | | 13.92 | 3.00 |
| Audit Fees | | 0.30 | 0.45 |
| <u>Miscellaneous expenses</u> | | - | - |
| - Bank Charges | 0.36 | - | - |
| - Conveyance Charges | 0.20 | - | - |
| - Filing Fee | 0.13 | - | 0.01 |
| - Rate & Taxes | 0.03 | 0.72 | - |
| | | <u>14.94</u> | <u>3.46</u> |

| | UOM | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---------------|-------------------------------------|-------------------------------------|
| Note : 13 Earning per share | | | |
| Net profit after tax | ₹ in Lakhs | (11.49) | 2.61 |
| Total number of equity shares outstanding during the year | Number in Lac | 16.98 | 42.75 |
| Basic and Diluted EPS | In ₹ | (0.68) | 0.06 |



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Hareon Dalmia Solar Private Limited

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Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

- Note : 14**
- a) Estimated amount of contracts on capital account and not provided for (net of advances) ₹ Nil (previous year ₹ Nil)
 - b) Other commitments ₹ Nil (previous year ₹ Nil)
 - c) Contingent liabilities ₹ Nil (previous year ₹ Nil)

- Note : 15 Disclosure of significant accounting judgements, estimates and assumptions :**
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements :

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Fair value measurement of financial instruments :

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note : 16 Related Party Disclosures

A. Related Parties where control exists:

- (i) **Ultimate Holding Company:** Alirox Abrasives Limited
- (ii) **Holding Company :** Adhirath Power and Holdings Private Limited (w.e.f. 1st July, 2022)
: Hareon Solar Singapore Private Limited (Till 30th, June 2022)
- (iii) **Subsidiaries :** Nil
- (iv) **Step down Subsidiaries :** Nil
- (v) **Associate(s):** Nil
- (vi) **Persons exercising control/having substantial shareholding/interest and their relatives :** Shri Gautam Dalmia, Shri Yadu Hari Dalmia, Shri Puneet Yadu Dalmia, Smt. Kavita Dalmia, Smt. Bela Dalmia, Smt. Anupama Dalmia, Smt. Avantika Dalmia, Kumari Shruti Priya Dalmia, Smt. Sukeshi Dalmia, Smt. Vaidehi Dalmia, Kumari Sumana Dalmia, Kumari Avanees Dalmia, Master Priyang Dalmia
- (vii) **Entities controlled/jointly controlled by the Persons exercising control/having substantial shareholding/interest and their relatives with whom transactions have taken place:** Nil
- (viii) **Key Managerial Personnel/Directors :**
Mr. Sanjay Naveen Gowan, Director
Mr. Lien Huang Cheng, Director (Ceased to be director w.e.f 1st July, 2022)
Mrs. Anuradha Rawat, Director (appointed w.e.f 30th June, 2022 & Ceased to be director w.e.f 24.01.2023)
Mrs. Laxmi Chaudhary Negi, Director (Appointed as Additional Director w.e.f 23.11.2022)

- (ix) **Relatives of Key Managerial Personnel/Directors with whom transactions have taken place :** Nil

B. The following transactions were carried out with related parties in the ordinary course of business:

| Name of related party | Nature of Transaction | Holding Company (₹) | Subsidiary (ies) including Step-down Subsidiary (ies) | Associate(s) | Entities controlled by the Persons referred in point no. 7 above | Key Managerial Personnel/Directors and their relatives |
|--|-----------------------|---------------------|---|--------------|--|--|
| Hareon Solar Singapore Private Limited | Shares bought back | 230.17 | - | - | - | - |

There are no related party transactions in the previous year.

Note : 17 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.



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Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

Note : 18 Financial Risk Management Objectives And Policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include investments and deposits, trade payables and loans and borrowings.

The Parent Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Credit risk

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 from its financing activities, including deposits with banks and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed 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, 2023 and March 31, 2022 is the carrying amounts of each class of financial assets.



Hareon Dalmia Solar Private Limited

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Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, unless otherwise stated)

Note : 19 Financial instruments by category

| S.No | Particulars | 31/03/2023 ₹ | | | 31/03/2022 ₹ | | |
|------|------------------------------------|-----------------|-------|----------------|-----------------|-------|----------------|
| | | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| 1 | Financial assets | | | | | | |
| | Investments | - | - | 39.34 | - | - | - |
| | Cash and cash equivalents | - | - | 11.02 | - | - | 297.88 |
| | Total financial assets | - | - | 50.36 | - | - | 297.88 |
| 2 | Financial liabilities | | | | | | |
| | Other financial liabilities | - | - | 0.30 | - | - | 1.31 |
| | Total financial liabilities | - | - | 0.30 | - | - | 1.31 |

Note : 20 Financial Instruments - 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 2023 ₹ | | As at 31 March 2022 ₹ | |
|------|--|----------------------|--------------------------|--------------|--------------------------|---------------|
| | | | Carrying | Fair Value | Carrying | 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) | Investments * | | 39.34 | 39.34 | - | - |
| | <u>Current</u> | | | | | |
| b) | Cash & Cash Equivalents* | | 11.02 | 11.02 | 297.88 | 297.88 |
| | | | 50.36 | 50.36 | 297.88 | 297.88 |

| S.No | Particulars | Fair value hierarchy | As at 31 March 2023 ₹ | | As at 31 March 2023 ₹ | |
|------|--|----------------------|--------------------------|-------------|--------------------------|------------|
| | | | Carrying | Fair Value | Carrying | Fair Value |
| 1 | Financial liability designated at amortised cost | | | | | |
| | <u>Current</u> | | | | | |
| | - Other financial liability * | | 0.30 | 0.30 | - | - |
| | | | 0.30 | 0.30 | - | - |

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



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Notes forming part of financial statements for the year ended 31 March 2023

(All amounts are ₹ in lakh, 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.

- Note : 21** During the current year, the Company has bought back 34,19,990 Equity Shares at price of ₹ 6.73/- per share as approved by the members in the Extra Ordinary General Meeting held on 20th May, 2022. The shares have been bought back in compliance of section 68 of Companies Act from the erstwhile holding company Hareon Solar Singapore Private Limited which has ceased to be the holding company. Difference between the face value of equity shares and the buy back price has been credited to Capital Reserve. The Buy back has been done out of Securities Premium account .
- Note : 22** The provisions of Section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company for the current year as well as the previous year.
- Note : 23** The Company had entered into an Agreement for Lease of Land with Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) dated 13-Apr-2016 for allotment of a land parcel admeasuring 133,599 sq.mtrs., on a long-term lease basis, for setting-up a 1,000 MW polycrystalline solar cell manufacturing plant (the Project) within defined timelines. However, due to external factors beyond the control of the Company, the implementation of the Project got delayed, and in the meanwhile APIIC cancelled allotment of such land, vide its Deed of Cancellation dated 10-Nov-2020.
The Company continues to pursue the amount recoverable from APIIC, and is exploring all the available options for the recovery of said amount.



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Note : 24 Disclosure of Ratios

| Ratio | Numerator | Denominator | FY 2022-23 | FY 2021-22 | % Variance | Reason for Variance |
|----------------------------------|---|--|----------------|------------|------------|--|
| Current ratio | Current Assets | Current Liabilities | 6,274.45 | 801.63 | 682.71% | Reduction in Current liabilities has improved the ratio for the year |
| Debt-equity ratio | Long term borrowings+Short term borrowings | Total Shareholder's Fund | Not Applicable | | | |
| Debt service coverage ratio | Profit for the year+Finance costs+ Depreciation and amortisation expenses+Exceptional items | (Finance Costs + lease payments+Scheduled principal repayments of long term borrowings) of the next one year | Not Applicable | | | |
| Return on equity ratio | Profit for the year | Average Shareholder's Equity | (0.01) | 0.00 | (595.09%) | No revenue from operations during the year |
| Inventory turnover ratio | Revenue from operations | Average Inventory | Not Applicable | | | |
| Trade receivables turnover ratio | Revenue from operations | Trade receivables Closing | Not Applicable | | | |
| Trade payables turnover ratio | Total Purchases | Trade Payables Closing | Not Applicable | | | |
| Net capital turnover ratio | Revenue from operations | Average Working Capital | Not Applicable | | | |
| Net profit ratio | Profit for the year | Revenue from operations | (3.28) | 0.31 | (1164.22%) | Due to decrease in income during the year |
| Return on capital employed | Earning before interest and taxes | Capital Employed(i) | Not Applicable | | | |
| Return on investment | Income generated from invested funds | Average invested funds in investments | Not Applicable | | | |

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

Note : 25 Other statutory information :

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company have not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Note : 26 Financial statement for the previous year ended 31st March, 2022 were audited by M/s VGR & Co., Chartered Accountants, New Delhi

Note : 27 Previous year figures have been re-grouped/ rearranged wherever necessary to conform to the current year's classification.

As per our report of even date

For Arun Tulsian & Associates
Chartered Accountants
FRN011131N

Arun K. Tulsian
Partner
Membership No. 089907

Signed at New Delhi on May 15th, 2023

For and on behalf of Board of Directors
Hareon Dalmia Solar Private Limited

Sanjay Naveen Gowan
Director
DIN: 02306942

Laxmi Chaudhary Negi
Director
DIN: 09772227