

ADHIRATH POWER AND HOLDINGS PRIVATE LIMITED

Regd. Office: 4-Scindia House, Connaught Place, New Delhi- 110001

E-Mail id: snccl@dalmiarf.com Ph. No.: 011-23457100

CIN: U74999DL2016PTC299543

DIRECTORS' REPORT

The Directors hereby present the First Annual Report of the Company together with the Audited Financial Statements for the financial year ending March 31, 2017.

FINANCIAL RESULTS

	Amount (in Rupees)
	For the period from 12th May, 2016 to 31st March, 2017
Profit/ (Loss) for the year	(6,69,295)
Less: Provision for Taxation	-
For current years:	-
For earlier years:	
Profit/ (Loss) after Taxation	(6,69,295)
Add: Surplus from previous year	-
Surplus carried to Balance Sheet	(6,69,295)

*Previous year figures are not available as this is the first year of operations.

OPERATIONS

The Company has been incorporated on 12th May, 2016 as a wholly-owned subsidiary of M/s Alirox Abrasives Limited under Corporate Identity Number U74999DL2016PTC299543.

DIVIDEND

In view of losses incurred during the period under review, your Directors do not recommend any dividend for the Financial Year ended on 31st March, 2017.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to Reserves for the financial year ended 31st March, 2017.

BOARD MEETINGS

During the year, five Board meetings were convened and held on 18.05.2016, 16.06.2016, 29.07.2016, 08.11.2016 and 01.03.2017. The time gap between two consecutive meetings of the Board did not exceed the limit as specified under the Companies Act, 2013.

DIRECTORS

Shri C.N. Maheshwari and Shri R.K. Agrawal were appointed as the first Directors of the Company at incorporation to hold office till the conclusion of the ensuing Annual General Meeting.

Smt. Leena Rawal was appointed as Additional Director w.e.f. May 18, 2016 and holds office till the conclusion of ensuing Annual General Meeting.

The Company has obtained necessary declarations from the Directors to the effect that they have not incurred any disqualification and are eligible to be appointed/ reappointed as Director of the Company.

PARTICULARS OF DIRECTORS' AND EMPLOYEES' REMUNERATION

Particulars of employees as required to be furnished under provisions of Section 197(12) of the Act read with Rules 5(2) and (3) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 with respect to employees drawing remuneration in excess of the limits set out in the said Rules are NIL.

SUBSIDIARY / ASSOCIATE AND JOINT VENTURE

During the year under review Hareon Dalmia Solar Private Limited (formerly known as Hareon Solar Power Private Limited) became the Joint Venture Company of the Company.

The report on the salient features of financial statement of the Joint Venture Company for the year ended March 31, 2017 in Form AOC 1 is attached and marked as **ANNEXURE I** to this report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to fulfillment of condition specified under rule 6 of the Companies (Accounts) Amendment Rules, 2016 issued by the Ministry of Corporate affairs vide notification dated July 27, 2016, the Company is not required to prepare the consolidated Financial Statements of its joint venture Company namely Hareon Dalmia Solar Private Limited as Alirox Abrasives Limited, the ultimate holding company of the Company has prepared the Consolidated Financial Statements in compliance with prescribed rules and applicable Accounting Standards.

AUDITORS

M/s N. K. Bansal & Co., Chartered Accountants were appointed by the Board of Directors of the Company as the first Statutory Auditors to hold office till the conclusion of the First Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013, they can be appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of sixth Annual General Meeting of the Company. M/s N. K. Bansal & Co., Chartered Accountants are eligible for re-appointment and have, pursuant to Section 141 of the Companies Act, 2013, furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company and that their appointment, if made, would be within the ambit of Section 139 of the Companies Act.

The Board of Directors have recommended the appointment of M/s N. K. Bansal & Co., Chartered Accountants as the Auditors of the Company for a period of five years till the conclusion of sixth Annual General Meeting of the Company.

AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. The Statutory auditors have not reported any incidence of fraud to the Board of the Company in the year under review.

EXTRACT OF ANNUAL RETURN

In compliance with sub-section (3) of section 92 of the Companies Act, 2013, the extract of the annual return is attached in Form **MGT 9** and forms part of this Report as **ANNEXURE II**.

DEPOSITS

The Company has not accepted any deposits from public during the period under review.

INVESTMENTS LOANS AND GUARANTEES

During the period under review, the Company has not given any loans, directly or indirectly, to any person or to other body corporates or given any guarantee or provided any security in connection with a loan to any other body corporate or person in terms of Section 186 of the Companies Act, 2013. The Details of Investments made by the Company are given in Note 6 of the Financial Statements of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year there were no contracts or arrangements with the related parties referred to in section 188 (1) of the Companies Act, 2013.

RISK MANAGEMENT

The Company has in place a risk management framework wherein the business risks are identified and monitored on a continuous basis, and appropriate risk mitigation steps are taken as and when deemed necessary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, the Directors have nothing to report on information falling under sub-section (m) of Section 134(3) of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company for the financial year 2016-17.

DISCLOSURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

No material changes and commitments have occurred, after the close of the year till the date of this report, which affect the financial position of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Ultimate Holding Company of the Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period under review, your Company did not receive any complaints under Prevention of Sexual Harassment of Women at Workplace Act.

ACKNOWLEDGEMENTS

The Directors take this opportunity to place on record their sincere thanks and appreciation to the Bankers and various state and Central Government agencies for their Cooperation and continued support to the Company.

For and on behalf of the Board of Directors

R.K. Agrawal
Director

Din No. 00010069

Leena Rawal
Director

Din No. 03575675

Place: New Delhi
Date: 20-07-2017

Annexure - I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures**

Part "A": Subsidiaries: Not Applicable.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Hareon Dalmia Solar Private Limited
1. Latest audited Balance Sheet Date	31.03.2016
2. Date on which the Joint Venture was associated	16.06.2016
3. Shares of Joint Ventures held by the company on the year end:	
Number	854988
Amount of Investment in Associates/Joint Venture (in Rs.)	85,49,880
Extend of Holding (in %)	19.99%
4. Description of how there is significant influence	-
5. Reason why the Joint Venture is not consolidated	Pursuant to fulfillment of conditions specified under rule 6 of the Companies (Accounts) Amendment Rules, 2016 issued by the Ministry of Corporate affairs vide notification dated July 27, 2016, Company has been exempted from preparation of consolidated Financial Statements of its joint venture Company namely Hareon Dalmia Solar Private Limited as Alirox Abrasives Limited, the ultimate holding company of the Company has prepared the Consolidated Financial Statements in compliance with prescribed rules and applicable Accounting Standards.
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. In Lacs)	-
7. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation (Rs. In Lacs)	-

1. Names of associates or joint ventures which are yet to commence operations – N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year – N.A.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 20-07-2017

R.K. Agrawal
Director
Din No. 00010069

Leena Rawal
Director
Din No. 03575675

Annexure – II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74999DL2016PTC299543
ii.	Registration Date	12/05/2016
iii.	Name of the Company	ADHIRATH POWER AND HOLDINGS PRIVATE LIMITED
iv.	Category/Sub-Category of the Company	Non-Government Company limited by Shares
v.	Address of the Registered office and contact details	4- SCINDIA HOUSE, CONNAUGHT PLACE, NEW DELHI- 110001, INDIA TELEPHONE NO: 011-23457100 E MAIL: snccil@dalmiarf.com
vi.	Whether listed company	Unlisted
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1.	Electric power generation, transmission and distribution.	3510	-
2.	Management Consultancy Activities	70200	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Alirox Abrasives Limited	L74899DL1944PLC000759	Holding Company	100.00	2(46)
2	Hareon Dalmia Solar Private Limited	U74900DL2015FTC279902	Joint-venture Company	19.99	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

[illegible]

b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10000	10000	100	-	10000	10000	100	-

Note: As the Company was incorporated on 12.05.2016, hence figures as on the date of incorporation have been provided.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
								% change in share holding during the year
	Promoters of the Company							
1.	Alirox Abrasives Limited and its nominees	-	-	-	10000	100	-	-

iii.Change in Promoters' Shareholding (please specify if there is no change):

Sr. no		Shareholding at the beginning of the year/ INCorporation		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	10000	100	10000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NO CHANGE DURING THE YEAR			
	At the End of the year	10000	100	10000	100

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and DRs):

Sr. No.		Shareholding at the beginning of the year/ Incorporation		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	For each of Top 10 Shareholders				
	a) At the Beginning of the Year	-	-	-	-
	b) Changes during the Year	-			
	c) At the end of the Year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	For each of Directors and KMP				
1.	Smt. Leena Rawal (As nominee of Alirox Abrasives Limited)	1	0.01	1	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		-		-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)				
Change in Indebtedness during the financial year				
- Addition		86.00		86.00
- Reduction				
Net Change		86.00		86.00
Indebtedness at the end of the financial year				
i) Principal Amount		86.00		86.00
ii) Interest due but not paid		5.64		5.64
iii) Interest accrued but not due		-		-
Total (i+ii+iii)		91.64		91.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary undersection17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify					
5.	Others, please specify					
6.	Total(A)					
	Ceiling as per the Act					

Note: There is no managing Director, Whole-time Director and/or Manager in the Company.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify					
	Total(1)					
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In INR)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) of Income-tax Act,1961	-	-	-	
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as% of profit -others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	

Note: There are no Key Managerial Personnel in the Company

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NONE				
Punishment					
Compounding					
B. Directors					
Penalty	NONE				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NONE				
Punishment					
Compounding					



Independent Auditor's Report

To the Members of **ADHIRATH POWER & HOLDINGS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of ADHIRATH POWER & HOLDINGS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N.K. BANSAL AND CO.
Chartered Accountants
FRN: 003381N**

**Place:-New Delhi
Date: 20/07/2017**

**Naresh Kumar Bansal
(Proprietor)
Membership No. 081699**



Annexure 'A'

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

We report that:

- i. Company does not have any fixed assets.
- ii. Company does not have any inventories.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. During the year company made investment of Rs. 85,49,880/-in equity shares of Hareon Dalmia Solar Private Limited, which was covered under section 186 of the Companies Act, 2013. Since the amount of investment made exceeds the limit specified in Section 186 of the Companies Act, 2013 , prior approval by means of passing special resolution has been taken by the company.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. According to the records of the company, there were no disputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not taken any loan from financial institution, bank, Government or debenture holders, as applicable to the company.

- ix. Company has not raised any money from public.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The company had not paid any managerial remuneration during the year.
- xii. The company is not a Nidhi Company. Therefore clause (xii) of the order is not applicable to the company.
- xiii. All transactions with the related parties, if applicable, are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in financial statements as required by AS-18.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N.K. BANSAL AND CO.
Chartered Accountants
FRN: 003381N**

**Place:-New Delhi
Date: 20/07/2017**

**Naresh Kumar Bansal
(Proprietor)
Membership No. 081699**



Annexure 'B'

Report on Internal Financial Controls Over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ADHIRATH POWER & HOLDINGS PRIVATE LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

**For N.K. BANSAL AND CO.
Chartered Accountants
FRN: 003381N**

**Place:-New Delhi
Date: 20/07/2017**

**Naresh Kumar Bansal
(Proprietor)
Membership No. 081699**

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Particulars	Note No.	31st March' 2017 (Amount in Rs.)
I.	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
	(a) Share Capital	1	1,00,000
	(b) Reserves and Surplus	2	(6,69,295)
			<u>(5,69,295)</u>
(2)	Current Liabilities		
	(a) Short term borrowings	3	86,00,000
	(b) Trade payables	4	11,500
	(c) Other current liabilities	5	6,27,211
			<u>92,38,711</u>
	TOTAL		<u><u>86,69,417</u></u>
II.	ASSETS		
(1)	Non - current assets		
	(a) Fixed Assets		
	(i) Tangible assets		-
	(b) Non - current investments	6	85,49,880
			<u>85,49,880</u>
(2)	Current Assets		
	(a) Cash and Bank Balance	7	1,19,537
			<u>1,19,537</u>
	TOTAL		<u><u>86,69,417</u></u>

The notes attached form an integral part of the financial statements

Summary of Significant Accounting Policies

9

In Accordance with our Report attached

For N.K.Bansal & Co.

Chartered Accountants

Firm Regn.No. 003381N

For and on behalf of the Board of Directors

N.K.Bansal

Proprietor

M.No. 081699

Date: 20th July' 2017

Place: New Delhi

R. K. AGRAWAL

Director

Din : 00010069

LEENA RAWAL

Director

Din : 03575675

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 12th MAY 2016 TO 31st MARCH, 2017

Particulars	Note No.	31st March' 2017 Rs.
I. Revenue from Operations		-
II Other Income		-
III Total revenue (I + II)		-
IV Expenses		
Pre-incorporation Expenses		12,500
Professional Charges		15,026
Interest on Intere Corporate Loan		6,27,211
Other Expenses		3,058
Audit fees		11,500
Total Expenses		6,69,295
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(6,69,295)
VI Exceptional Items		-
VII Profit/(Loss) before extraordinary items and tax (V-VI)		(6,69,295)
VIII Extraordinary Items		-
IX Profit before tax (VII-VIII)		(6,69,295)
X Tax expense:		
(1) Current tax		-
(2) Deferred tax		-
		-
XI Profit/(Loss) for the year		(6,69,295)
XII Earning per equity share:	8	
(1) Basic (Nominal Value per equity share Rs.10/-)		(66.93)
(2) Diluted (Nominal Value per equity share Rs.10/-)		(66.93)

The notes attached form an integral part of the financial statements

Summary of Significant Accounting Policies 9

In Accordance with our Report attached

For N.K.Bansal & Co.
Chartered Accountants
 Firm Regn.No. 003381N

For and on behalf of the Board of Directors

N.K.Bansal
Proprietor
 M.No. 081699
 Date: 20th July' 2017
 Place: New Delhi

R. K. AGRAWAL
Director
 Din : 00010069

LEENA RAWAL
Director
 Din : 03575675

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	31st March' 2017 Rs.
Cash flows from operating activities	
Profit before taxation	(6,69,295)
Adjustments for:	
Depreciation and amortization expense	-
	(6,69,295)
(Increase)/decrease in trade and other receivables	-
Increase/ (decrease) in trade payables	6,38,711
	(30,584)
Direct taxes paid/ Refund received (Net)	-
<i>Net cash from operating activities</i>	(30,584)
Cash flows from investing activities	
Purchase of Investments	(85,49,880)
<i>Net cash from investing activities</i>	(85,49,880)
Cash flows from financing activities	
Issue of Equity Share Capital	1,00,000
Inter Corporate Loan Taken	86,00,000
<i>Net cash from financing activities</i>	87,00,000
Net increase/(decrease) in cash and cash equivalents	1,19,537
Cash and cash equivalents as at 1.4.2016	-
Cash and cash equivalents as at 31.03.2017	1,19,537

Cash & Cash equivalents:

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Cash on hand and bank balances	1,19,537
Cash and cash equivalents as reported	1,19,537
Cash and cash equivalents as restated	1,19,537

In Accordance with our Report attached

For N.K.Bansal & Co.
Chartered Accountants
Firm Regn.No. 003381N

For and on behalf of the Board of Directors

N.K.Bansal
Proprietor
M.No. 081699
Date: 20th July' 2017
Place: New Delhi

R. K. AGRAWAL
Director
Din : 00010069

LEENA RAWAL
Director
Din : 03575675

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars		As at 31.03.2017	
		No.	Rs.
1	Share Capital:		
	Authorized:		
	Equity shares of Rs. 10 /- each	10,000	1,00,000
			<u>1,00,000</u>
	Issued, subscribed and fully paid up:		
	Equity shares of Rs. 10/- each		
	At the beginning of the year	-	-
	Issued during the reporting period	10,000	1,00,000
	At the end of the year	10,000	<u>1,00,000</u>
Other Information:			
I	Particulars of equity share holders holding more than 5% of the total number of equity share capital:		
		<u>No. of Shares</u>	<u>%age</u>
a.	Holding Company		
	Alirox Abrasives Limited	10,000	100%
Particulars		As at 31.03.2017	
			Rs.
2	Reserves and Surplus:		
	Surplus		
	Opening balance		-
	(+) Net Profit/(Net Loss) For the current year		(6,69,295)
	Closing Balance		<u>(6,69,295)</u>
3	Short Term Borrowings		
i)	Loan Repayable on Demand		-
	- From Related Parties		86,00,000
			<u>86,00,000</u>
4	Trade Payable		
i)	To Micro, Small and Medium Enterprises		-
ii)	Others		11,500
			<u>11,500</u>
5	Other Current Liabilities		
i)	Other Payables		62,721
ii)	Interest Accrued and due on Borrowings		5,64,490
			<u>6,27,211</u>

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

6 Non - Current Investments:

Details of Investments	As at 31.03.2017	
	No. of units	Rs.
a) Investments in Equity Shares - Unquoted:		
Hareon Dalmia Solar Power Limited (Joint Venture)	8,54,988	85,49,880
Total		85,49,880
Less :Provision for diminution in value of investments		-
Total		85,49,880

Particulars	As at 31.03.2017	
		Rs.
7 Cash and Bank Balances:		
i) Cash and Cash Equivalents		
- in hand		4,937
- in Current Account		1,14,600
		1,19,537
8 Earnings per share:		
After extraordinary item:		
Profit for the year after tax expense		(6,69,295)
Weighted average number of equity shares		10,000
Basic Earning per share		(66.93)
Diluted Earning per share		(66.93)

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

NOTE 9 A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on going concern basis, in terms of the Accounting Standards notified under section 133 of the Act, read with Rule (7) of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

2. Investments

Long Term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS-13 Accounting for Investments if the decline/ diminution is other than temporary. Current investments are stated at lower of cost or market/ fair value.

3. Taxes on Income

(a) Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.

(b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income', Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the tax rates which are enacted or substantively enacted at the Balance Sheet date to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognised only if there is a reasonable / virtual certainty of realisation thereof.

4. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets neither recognised in the Accounts nor disclosed in the notes to accounts.

5. Cash and Cash Equivalents

Cash comprises cash in hand and balances with banks. Cash equivalent are short term highly liquid investments that are readily convertible into cash and which are subject to insignificant risks of change in value.

6. Recognition of Income and Expenditure

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

ii) Income from Investment:

Income from investment is accounted for on accrual basis when the right to receive income is established.

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

NOTE -9 B. NOTES FORMING PART OF ACCOUNTS

1. Related Party Disclosures

A) Relationships

- (i) Holding Company :- Alirox Abrasives Limited (w.e.f. 12.05.2016)
- (ii) Joint Venture Company:- Hareon Dalmia Solar Private Limited (w.e.f.16.06.2016)
- (iii) Directors of the Company:-
Shri C. N. Maheshwari (w.e.f. 12.05.2016), Shri R. K. Agrawal (w.e.f. 12.05.2016) and Smt. Leena Rawal (w.e.f. 18.05.2016)
- (iv) Promoters of the Company:
Shri J.H. Dalmia and Shri Y.H. Dalmia
- (iv) Relatives of Promoters:
J. H. Dalmia (HUF), Y. H. Dalmia (HUF), Shri Gautam Dalmia, Shri Puneet Yadu Dalmia, Gautam Dalmia (HUF), Smt. Kavita Dalmia, Smt. Bela Dalmia, Smt. Anupama Dalmia, Smt. Avantika Dalmia, Kumari Shrutipriya Dalmia, Kumari Sukeshi Dalmia, Kumari Vaidehi Dalmia, Kumari Sumana Dalmia, Kumari Avanees Dalmia and Mst. Priyang Dalmia.
- (iv) Enterprises controlled by the Promoters of the Company:-
Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Shri Chamundeswari Minerals Limited, Himgiri Commercial Limited, Keshav Power Limited, Valley Agro Industries Limited, Shree Nirman Limited, Avanees and Ashni Securities Private Limited, OCL India Limited, ZipAhead.Com Pvt. Limited, Dalmia Bharat Limited, Kanika Investment Limited, Ishita Properties Limited, Dalmia Cement (Bharat) Limited, D.I. Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Shri Rangam Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Power Limited, DCB Power Ventures Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Madhusudhana Mines and Properties Limited, Sri Trivikrama Mines & Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resorts Private Limited, Dalmia Bharat Sugar and Industries Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Sugar Ventures Limited, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanees Trust, Adhunik MSP cement (Assam) Limited, Vinay Cement limited, RCL Cement Limited, SCL Cement limited, Khappa Coal Co (P) Limited, Adhunik Cement Ltd., Calcom Cement India Ltd., Dalmia Bharat Cements Holding Ltd., YHD Trusteeship Services Pvt. Ltd., Shri Yadu Hari Trusteeship Services Pvt. Ltd Vastalaya Developers Pvt. Ltd., Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Homes Realtors LLP, Vinimay Developers Pvt. Ltd., Shri Investments, Shri Rangam Securities & Holdings Ltd., Jaye Vijay Agro Farms Pvt. Ltd., Dalmia Cement East Ltd., Glow Homes Technologies Pvt. Ltd., OCL Global Ltd., OCL China Ltd., Odisha Cement Ltd. Bangaru Kamakshiamman Agro Farms Pvt. Ltd., Coin Tribe Technologies Pvt. Ltd., Tijori Capital Pvt. Ltd., Samagama Holdings and Commercial Pvt. Ltd., Antorday Commercial and Holdings Pvt. Ltd., Akhyar Estate Holdings Pvt. Ltd., Adwetha Cement Holdings Ltd., Jai Hari Dalmia Parivar Trust, Jai Hari Dalmia Trust, Kavita Dalmia Trust, Y.H.Dalmia Parivar Trust, Bela Dalmia Parivar Trust, Puneet Dalmia Parivar Trust, Avantika Dalmia Parivar Trust, Shrutipriya Dalmia Parivar Trust, Avanees Dalmia Parivar Trust, Priyang Dalmia Parivar Trust, Dalmia Bharat Parivar Trust, Dalmia Mining and Services Pvt. Ltd., Dalmia Renewables Energy Ltd., Aisthom Industries Ltd., Vanika Commercial and Holdings Pvt. Ltd., Dalmia Stefanutti Stocks Pvt. Ltd., Garvita Solution Services and Holdings Pvt. Ltd., Dalmia Seven Refractories Ltd.

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

Nature of Transaction	Holding Company	Promoter controlled enterprises	Total
	31.03.2017	31.03.2017	31.03.2017
Inter Corporate Loan taken - Keshav Power Limited	-	86,00,000	86,00,000
Issue of Equity Share Capital - Alirox Abrasives Limited	1,00,000	-	1,00,000
Amount Receivable / Payable - Inter Corporate Loan including Interest	-	91,64,490	91,64,490

2. Deferred Tax Assets

Deferred Tax Assets are as per Accounting Standard 22 on account of carry forward losses have not been recognized as there is no convincing evidence that sufficient future taxable income shall be available against which such deferred tax assets can be realized.

3. Additional information pursuant to paragraph 5 of Part II of the schedule III of the Companies Act, 2013 is not applicable.

4. Disclosure on Specified Bank Notes(SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016, the denomination wise SBN's and other notes as per the notification is given below:-

Particulars	SBNs	(Amount in Rs.)	
		Other denomination notes	Total
Closing cash in hand as on 08.11.2016	10,000	-	10,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	10,000	-	10,000
Closing cash in hand as on 30.12.2016	-	-	-

ADHIRATH POWER & HOLDINGS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

5. The company have made investment in 854,988 shares of Hareon Dalmia Solar Private Limited at a cost of Rs. 85,49,880/-. The investment so made is in accordance with the limits specified u/s 186 of The Companies Act, 2013, by way of passing of Special Resolution dated 29th June' 2016. The investment so made by the company shall be utilized by the investee company for the purpose of business of the Company.
6. Pursuant to fulfillment of condition specified under rule 6 of the Companies (Accounts) Amendment Rules, 2016 provided by the Ministry of Corporate affairs vide notification dated July 27, 2016, Company is not required to consolidate the Financial Statements of its joint venture Company namely Hareon Dalmia Solar Private Limited as Alirox Abrasives Limited, the ultimate holding company of the Company has prepared the Consolidated Financial Statements in compliance with prescribed rules and applicable Accounting Standards.
7. **Corporate Social responsibility**
Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Company for the financial year 2016-17.
8. Being first year of the Company, previous year figures are not applicable.

For N. K. BANSAL & CO.
Chartered Accountants
Firm Registration No.003381N

For & on behalf of Board of Directors of
Adhirath Power & Holdings Private Limited

N.K.BANSAL
Proprietor
Membership No.081699

R.K.AGRAWAL
Director
DIN : 00010069

LEENA RAWAL
Director
DIN: 03575675

New Delhi
Date: 20th July' 2017