

# ***Shridhar & Associates***

## ***Chartered Accountants***

### **INDEPENDENT AUDITORS' REPORT**

**To the Members of DHURSAR SOLAR POWER PRIVATE LIMITED**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of **DHURSAR SOLAR POWER PRIVATE LIMITED** which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information ("hereinafter referred to as 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and do not provide a separate opinion on these matter

Following are the brief summary of Key Audit Matters...

Sr. No.	Key Audit Matter	How the matter was addressed
1.	<p><b><u>Default in Long term financing facility from Asian Development Bank (ADB) and The Export-Import Bank of The United States (US Exim).</u></b></p> <p>The Company has availed long term financing facility from Asian Development Bank (ADB) and The Export-Import Bank of The United States (US Exim) for the project. Up to the period ended March 31, 2024, the Company has overdue Principle of Rs 25006 lakhs and interest Due of Rs. 1501 lakhs (March 31, 2023 Principle Due of Rs 20709 lakhs and interest Due of Rs. 1404 lakhs).</p> <p>As per the terms of loan agreement, the Company is liable to pay penal interest till the balance is overdue and an event of default. In case of event of default, the lenders have a right to declare the loan fully payable immediately; the lenders have not called upon the Company to repay the loan immediately.</p>	<p>Balance confirmation received from lenders.</p> <p>Based on discussion with management of the company, If any shortfall in debt service from project cash flow same can be recovered from surplus cash flow after payment of Exim Bank debt service in Samalkot Power Ltd (SPL) based on revised term sheet signed between the parties in which it is mentioned that 50% of the surplus if any from the sale of Unit 2 &amp; 3 of SPL after meeting its Exim Bank Loan dues will be utilized to meet the mandatory prepayment of the lenders of the Dhursar Solar Power private ltd.</p>
2.	<p><b><u>Trade Receivable</u></b></p> <p>We refer to Note No 3.5(a) to the financials wherein the company has outstanding trade receivable of Rs 23944 Lakhs. (Last year Rs 19,606 Lakhs) receivable from Reliance Infrastructure Limited related parties. (Write off done in 2018-19 Rs 3943 lakhs and 2019-20 Rs 4924 lakhs total Rs 8868 Lakhs)</p> <p>(This does not include interest on outstanding not booked as per management decision till date at the rate of 1.25% per month on the outstanding trade receivable dues from Reliance Infra Ltd as per the agreement dated 11th September 2018)</p>	<p>Our audit procedures included the following:</p> <p>Discussion with management Based on management judgment no provision is to be provided for.</p> <p>Ensured proper disclosure in the Financial Statements. Balance confirmation from customer received.</p> <p>In view of the current status the reoffered dues may not be realizable However the holding company Reliance Power Ltd has assured the company to pay the amount in case Reliance Infrastructure Ltd fails to pay the receivable amount and will adjust the amount against the amount payable by Reliance Power Ltd to Reliance Infrastructure Ltd.</p>

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3.	<b><u>Interest free Inter Corporate Deposit.</u></b> The company has advanced interest free Interoperate Deposits to holding company Reliance Power amount outstanding /as on year end is Rs. 11,645 lakhs.	Our audit procedures included the following:  Discussion with management  As per Management under section 186 Reliance Power Ltd and DSPPL is covered under Infrastructure category and hence no interest is charged.  Ensured proper disclosure in the Financial Statements.
4.	<b><u>Advance Recoverable in cash or Kind</u></b> The company has an outstanding receivable of Rs. 2.034 lakhs towards advance recoverable in cash or in kind.	Our audit procedures included the following:  Discussion with management Based on management judgment no provision is to be provided for.  Ensured proper disclosure in the Financial Statements.  The holding company Reliance Power Ltd has assured the company to pay the amount in case Reliance Infrastructure Ltd fails to pay the receivable amount and will adjust the amount against the amount payable by Reliance Power Ltd to Reliance Infrastructure Ltd

### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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### **Responsibility of Management and those charged with Governance for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

(A) 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 (including other Comprehensive Income), the statement of changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts and returns.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act read with relevant rules made thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the matter to be included in the Auditors' Report under section 197(16):  
The remuneration paid to any director is nil hence any excess of the limit laid down under Section 197(16) of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- (h) With respect to the other matters to be included in the Auditors 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 has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its financial statements.
  - ii. The Company did not have any long term derivative contracts hence no provision is required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31st 2024.
  - iv. (a) The management has represented to us that, to the best of it's knowledge and belief 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 person or entity, 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,

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- (b) The management has represented to us that, to the best of it's knowledge and belief no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf, of the Ultimate Beneficiaries, and
- (c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement,
- v. The company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

### **For SHRIDHAR & ASSOCIATES**

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjany

Partner

(Membership No. 050980)

Place: Mumbai,

Date: 23<sup>rd</sup> April 2024

UDIN: 24050980BKFRVO3382

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### **Annexure "A" to Independent Auditors' Report**

**Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of DHURSAR SOLAR POWER PRIVATE LIMITED on the Ind AS financial statements as of and for the year ended March 31, 2024**

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

- (i) In respect of the company's property, plant and equipment, right of use of assets and intangible assets
    - (a) (A) Based on the records examined by us and information and explanation given to us the Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property Plant & Equipment
    - (B) The company does not have any intangible assets.
  - (b) The Property, Plant & Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of immovable properties, as disclosed in Note 3.1 on Property, plant and Equipment to the financial statements, are held in the name of the Company.
  - (d) Based on the records examined by us and information and explanation given to us by the company, the company during the year has not revalued any of its property, plant and equipment during the year hence, the requirements of the said clause (i)(d) of paragraph 3 of the order is not applicable
  - (e) According to the information and explanation and representation given to us by the management no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder,
- (ii) (a) Based on the records examined by us and the information and explanation given to us, the physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
  - (b) Based on the records examined by us and the information and explanation given to us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.

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- (iii) (a) Based on the records examined by us and information and explanation given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Hence clause (iii)(a) is not applicable

(A) In our opinion no loans have been granted during the year hence clause (iii)(A) is not applicable

(B) In our opinion there is no outstanding at the Balance sheet date hence clause (iii)(B) is not applicable.

(b) There are no investments made or guarantees provided hence the clause (iii)(b) is not applicable.

(c) There is no loan and advances given hence the clause (iii) (c) is not applicable.

(d) There is no loans or advances given hence clause (iii) (d) is not applicable.

(e) There is no loans or advances given hence clause (iii) (e) is not applicable

(f) There is no loans or advances given hence clause (iii) (f) is not applicable

- (iv) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. hence reporting under clause 3(v) of the order is not applicable. According to the information and explanation no order has been passed by the company law Board or the National Company law Tribunal or the Reserve bank of India or any court or any other tribunal.

- (vi) The maintenance of cost records has been specified by the by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and the rules framed there under. We have broadly reviewed the cost records maintained by the company pursuant to the Company's (Cost records & Audit) Rules, 2014 as amended prescribed by the Central Government under sub section (1) of section 148 of The Companies Act 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, goods and service tax, and is regular in depositing undisputed statutory dues, including provident fund, income tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax and cess as at March 31, 2024 which were outstanding for a period of more than six months from the date, they became payable.

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(c) According to the information and explanations given to us and the records of the Company examined by us, there are dues of income tax, as at March 31, 2024 and which have been deposited on account of a dispute.

Name of the statute	Nature of dues	Amount (Rs. in Lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	16.00	F.Y.2017-18 (A.Y.2018-19)	Rectification u/s.154 is filed online and to AO. But, demand is not yet made nil.

(viii) According to the information and explanations given to us and based on examination of the records of the Company, no income has been surrendered or disclosed as income during the year.

(ix) (a) According to the information and explanations given to us and based on examination of the records of the Company, the Company has defaulted in repayment of loans or borrowings to financial institution or bank or dues to debenture holders following instances of defaults in repayment of principal and interest amount.

Name of the lenders	Loan Account Number	Amount of defaults as at March 31, 2024 (USD )	Amount of USD Interest	Amount in INR Lakh	Due Date
Export Import Bank Of United States	07-086226-XX- AA01 & 07-086226-XX- AA02	13,14,916 19,40,215 19,40,215 19,40,215 19,40,215 19,40,215 19,40,215 19,40,215 <u>19,40,215</u> 1,68,36,636 -----	6,00,725	Rs.14538 Lakh	Due on 25th Mar'20 Due on 25th Sept'20 Due on 25th Mar'21 Due on 25th Sept'21 Due on 25th Mar'22 Due on 25th Sept'22 Due on 25th Mar'23 Due on 25th Sept'23 Due on 25 <sup>th</sup> Mar'24
Asian Development Bank	Loan No 2798- IND(PS)	4,25,472 12,73,008 12,73,008 12,73,008 12,73,008 12,73,008 12,73,008		Rs. 11969 Lakh	Due on 25th Mar'19 Due on 25th Sept'19 Due on 25th Mar'20 Due on 25th Sept'20 Due on 25th Mar'21 Due on 25th Sept'21 Due on 25th Mar'22 Due on 25th Sept'22

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		12,73,008			Due on 25th Sept'22
		<u>12,73,008</u>	12,56,200		Due on 25th Mar'23
		106,09,536			Due on 25th Sept'23
		-----			Due on 25th Mar'24

(b) The Company is not declared a willful defaulter by any Bank or Financial Institution or government or any government authority or other lender.

(c) The Company did not raise any money by way of initial public offer or further public Offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(d) As explained to us no funds were raised on short term basis have been utilized for long term purposes.

(e) As explained to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) As explained to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause x (a) of paragraph 3 of the order is not applicable to the company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(x) (b) of the Order are not applicable to the Company.

(xi) (a) Based on the audit procedures performed by us and according to the information and explanations given to us, in respect of whom we are unable to comment on any potential implications for the reasons described therein, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.

(b) According to the information given to us no report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management there are no complaints as per the Whistle blower policy during the year (and up to the date of this report while determining the nature, timing and extent of our audit procedures).

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- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) (a)Based on the information and explanations provided to us and our audit procedures, in our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business;
- (b) We have considered, the internal audit reports issued to the Company during the year covering the period up to 31st March 2024 and till date for the period under audit in determining the nature timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) (a)According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) (a),(b) and (c) of the Order are not applicable to the Company.
- (b)According to the information and explanations given to us there is no core investment company within the group (as defined in the Core Investment Companies (Reserve bank Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.
- (xvii) According to the information and explanations given to us, the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors of the company during the year and accordingly this clause is not applicable.
- (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, and based on the letter of comfort received from the holding company M/S Reliance Power Ltd

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,nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanation given to us and based on our examination of the records the company has met the requirements of CSR. There is no unspent amount under sub section (5) of Section 135 of the Act pursuant to any project other than ongoing project.
- (xxi) The company is not a holding company and hence reporting under this clause3(xxi) is not applicable

### **For SHRIDHAR & ASSOCIATES**

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjani

Partner

(Membership No. 050980)

Place: Mumbai,

Date: April 23<sup>rd</sup>, 2024

UDIN: 24050980BKFRVO3382

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### **Annexure B to the Independent Auditor's Report on the financial statements of DHURSAR SOLAR POWER PRIVATE LIMITED for year ended March 31, 2024**

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**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We were engaged to audit the internal financial controls with reference to financial statements of **DHURSAR SOLAR POWER PRIVATE LIMITED** as of March 31, 2024 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 Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the financial statements of the Company.

#### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

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## ***Chartered Accountants***

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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 ICAI.

### **For SHRIDHAR & ASSOCIATES**

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjani

Partner

(Membership No. 050980)

Place: Mumbai,

Date: April 23<sup>rd</sup>, 2024

UDIN: 24050980BKFRVO3382

**Dhursar Solar Power Private Limited**  
**Balance Sheet as at March 31, 2024**

Particulars	Note No.	Rupees in lakhs	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	31,572	32,540
Investments	3.2(a)	3	3
Other non-current financial assets	3.2(b)	1	1
Other non-current assets	3.3	2,034	2,034
		<u>33,610</u>	<u>34,578</u>
<b>Current assets</b>			
Inventories	3.4	131	124
Financial assets			
Trade receivables	3.5(a)	24,510	20,144
Cash and cash equivalents	3.5(b)	2,799	3,472
Bank balances other than cash and cash equivalents	3.5(c)	5,401	5,080
Loans	3.5(d)	15,680	15,680
Other financial assets	3.5(e)	2,191	2,077
Current tax assets (net)	3.6	136	105
Other current assets	3.7	6,761	6,762
Total Current Asset		<u>57,609</u>	<u>53,444</u>
<b>Total Assets</b>		<u>91,219</u>	<u>88,022</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.8	90	90
Other equity	3.9		
Instrument entirely equity in nature		89	89
Reserves and surplus		<u>39,725</u>	<u>36,239</u>
		<u>39,905</u>	<u>36,418</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	3.10	18,971	23,789
Provisions	3.11	12	9
		<u>18,983</u>	<u>23,798</u>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	3.12	30,364	25,992
Trade payables	3.13(a)		
i) Total Outstanding dues of micro and small enterprises	3.13(a)	55	-
ii) Total Outstanding dues of creditors other than above	3.13(a)	235	399
Other financial liabilities	3.13(b)	1,666	1,400
Other current liabilities	3.14	9	14
Provisions	3.15	2	1
		<u>32,331</u>	<u>27,806</u>
<b>Total Equity and liabilities</b>		<u>91,219</u>	<u>88,022</u>
Significant accounting policies	2		
Notes to financial statements	3 to 25		

**Dhursar Solar Power Private Limited**

As per our attached Report of even date

**For Shridhar & Associates**  
Firm Registration No: 0134427W  
Chartered Accountants

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

**Jitendra Sawjani**  
Partner  
Membership No. 050980

**Mantu Kumar Ghosh**  
Director  
DIN - 07644889

Place: Mumbai  
Date: April 23, 2024

**Mang Pongde**  
Director  
DIN 7728913

**Dhursar Solar Power Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2024**

Particulars	Note No.	Rupees In lakhs	
		Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	3.16	10,137	9,605
Other Income	3.17	837	1,346
<b>Total Income</b>		<b>10,974</b>	<b>10,951</b>
<b>Expenses</b>			
Employee benefits expense	3.18	75	20
Finance costs	3.19	3,052	2,406
Depreciation expense	3.10	1,987	1,648
Other expenses	3.20	2,370	1,760
<b>Total expenses</b>		<b>7,484</b>	<b>5,835</b>
<b>Profit/(Loss) before tax</b>		<b>3,490</b>	<b>5,117</b>
<b>Income tax expense</b>			
Current tax	10	4	-
<b>Total Tax Expenses</b>		<b>4</b>	<b>-</b>
<b>Profit for the Period/year (A)</b>		<b>3,486</b>	<b>5,117</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		(1)	-
<b>Other Comprehensive Income for the year (B)</b>		<b>(1)</b>	<b>-</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>3,485</b>	<b>5,117</b>
<b>Earnings per equity share: (Face value of Rs. 10 each)</b>			
Basic	9	385.65	566.09
Diluted	9	193.89	284.60
(refer note 10)			
Significant accounting policies	2		
Notes to financial statements	3 to 25		

The accompanying notes are an integral part of these financial statements

**Dhursar Solar Power Private Limited**

As per our attached Report of even date

**For Shridhar & Associates**  
Firm Registration No: 0134427W  
Chartered Accountants

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

**Jitendra Sawjani**  
Partner  
Membership No. 050980

**Mantu Kumar Ghosh**  
Director  
DIN - 07644889

Place: Mumbai  
Date: April 23, 2024

**Manoj Pongde**  
Director  
DIN 7728913

**Dhursar Solar Power Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2024**

Particulars	Rupees In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>(A) Cash Flow from/ (used in) operating activities</b>		
Profit/(Loss) before tax	3,490	5,117
Adjustments for:		
Depreciation expenses	1,987	1,648
Finance cost	3,052	2,406
Interest income	(781)	(679)
Loss on discard of asset	215	-
Loss on Foreign Exchange	125	-
<b>Operating profit before working capital changes</b>	<b>8,088</b>	<b>8,492</b>
Adjusted for:		
Increase/ (decrease) in trade payables	(114)	(44)
Increase/ (decrease) in other current financial liabilities	5	51
Increase/ (decrease) in other liabilities and provisions	(2)	8
(Increase)/ decrease in trade receivables	(4,366)	(4,107)
(Increase)/ decrease in other current financial assets	311	(228)
(Increase)/ decrease in loans and advances	1	15
(Increase)/ decrease in Inventories	(7)	18
	<b>3,915</b>	<b>4,205</b>
Taxes (paid) / refund (net)	(34)	(3)
<b>Net cash from Operating Activities</b>	<b>3,881</b>	<b>4,202</b>
<b>(B) Cash Flow from/ (used in) investing activities</b>		
Interest received from deposits & ICD	459	435
Purchase of Fixed Asset - Plant & machinery	(589)	(699)
Inter corporate deposits Given	(425)	(424)
<b>Net cash flow generated/ (used) in Investing Activities</b>	<b>(554)</b>	<b>(688)</b>
<b>(C) Cash Flow from/ (used in) financing activities</b>		
Repayment of long term borrowings	(1,349)	(1,148)
Interest and finance charges paid	(2,650)	(1,514)
<b>Net cash used in financing Activities</b>	<b>(3,999)</b>	<b>(2,662)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(673)</b>	<b>852</b>
Cash and cash equivalents at the beginning of the year		
Bank balance - current account	3,472	2,620
Cash and cash equivalents at the end of the year		
Bank balance - current account	2,799	3,472

The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these financial statements.

**Dhursar Solar Power Private Limited**

As per our attached Report of even date

**For Shridhar & Associates**  
Firm Registration No: 0134427W  
Chartered Accountants

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

**Jitendra Sawjany**  
Partner  
Membership No. 050980

**Mantu Kumar Ghosh**  
Director  
DIN - 07644889

Place: Mumbai  
Date: April 23, 2024

**Manoj Pongde**  
Director  
DIN 7728913

**Dhursar Solar Power Private Limited**  
Statement of changes in equity for the year ended March 31, 2024

**A. Equity Share Capital (refer note 3.8)**

	Rupees in lakhs
Balance as at March 31, 2022	90
Changes in equity share capital	-
Balance as at March 31, 2023	90
Changes in equity share capital	-
Balance as at March 31, 2024	90

**B. Other Equity (refer note 3.9)**

	Other reserves	Instrument entirely equity in nature	Reserves and surplus		Total
			Securities Premium Account	Retained Earnings	
Capital Reserve (Arisen pursuant to scheme of amalgamation) (refer no 3.9.5(a))	4,912	89	17,701	8,509	31,211
Profit/(loss) for the year	-	-	-	5,117	5,117
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	5,117	5,117
Balance as at March 31, 2023	4,912	89	17,701	13,626	36,328
Profit/(loss) for the year	-	-	-	3,486	3,486
Other Comprehensive Income for the year	-	-	-	(1)	(1)
Total Comprehensive Income for the year	-	-	-	3,485	3,485
Balance as at March 31, 2024	4,912	89	17,701	17,111	39,814

The accompanying notes are an integral part of these financial statements.

**Dhursar Solar Power Private Limited**

As per our attached Report of even date

**For Shridhar & Associates**  
Firm Registration No: 0134427W  
Chartered Accountants

**Jitendra Sawjiyani**  
Partner  
Membership No. 050980

Place: Mumbai  
Date: April 23, 2024

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

**Mantu Kumar Ghosh**  
Director  
DIN - 07644889

**Manoj Pongde**  
Director  
DIN 7728913

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

Particulars	Rupees in lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>3.2(a) Investments</b>		
<b>Non-current Financial Assets</b>		
In fellow subsidiaries	1	1
(Unquoted, fully paid up valued at cost)		
Preference shares <sup>1</sup> (instrument entirely equity in nature)		
Siyom Hydro Power Private Limited - 68,000 shares (March 31, 2023: 68,000 shares) face Value of Re. 1 each	680	680
Less: Provision for diminution in the value of Investment in Siyom Hydro Power Private Limited	(677)	(677)
	<u>3</u>	<u>3</u>
Aggregate book value of Unquoted Non Current Investments	<u>3</u>	<u>3</u>
The above preference shares have been acquired pursuant to the scheme of amalgamation and arrangement. (Refer Note 3.9.2)		
<b>3.2(b) Other non-current financial assets</b>		
Security deposits	1	1
	<u>1</u>	<u>1</u>
Advance recoverable in cash or in kind (Refer note 8 C (ii) )	2,034	2,034
	<u>2,034</u>	<u>2,034</u>
<b>Current Financial Assets</b>		
<b>3.4 Inventories</b>		
Stores and spares	131	124
	<u>131</u>	<u>124</u>
<b>3.5(a) Trade receivables</b>		
(Unsecured and considered good)		
Receivables from related party (refer note 8 C (ii) )	23,944	19,606
Receivables from Others	566	538
	<u>24,510</u>	<u>20,144</u>
<b>3.5(b) Cash and cash equivalents</b>		
Balance with banks:		
in current account	2,799	3,472
	<u>2,799</u>	<u>3,472</u>
<b>3.5(c) Bank balances other than cash and cash equivalents</b>		
Deposits with original maturity of more than three months but less than twelve months	5,401	5,080
	<u>5,401</u>	<u>5,080</u>

Dhursar Solar Power Private Limited  
Notes to the financial statements for the year ended March 31, 2024 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>3.5(d) Current Loans</b>		
Security deposits		
Inter corporate deposits to holding company (refer note 8)	11,645	11,645
(Interest free deposit for a period upto one year)		
Inter corporate deposits to other related party	4,035	4,035
	<b>15,680</b>	<b>15,680</b>
<b>3.5(e) Other current financial assets</b> (Unsecured and considered good)		
Security deposits	164	164
Advance to vendor	7	318
Interest accrued on inter corporate deposits from other related party	2,019	1,595
	<b>2,191</b>	<b>2,077</b>
<b>3.6 Current tax assets (net)</b>		
Current tax assets (net of provision for tax) Refer Note 10 (b)	136	105
	<b>136</b>	<b>105</b>
<b>3.7 Other current assets</b> (Unsecured and considered good)		
Prepaid expenses	1	2
Advance recoverable in cash or in kind	6,760	6,760
	<b>6,761</b>	<b>6,762</b>

Particulars	Rupees in lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>3.9 Other equity</b>		
<b>Balance at the end of the year</b>		
3.9.1 Instrument entirely of equity in nature	89	89
<b>Total</b>	<b>89</b>	<b>89</b>
<b>Reserves and surplus</b>		
3.9.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited )	4,912	4,912
3.9.3 Securities premium account	17,701	17,701
3.9.4 Retained earnings	17,111	13,626
<b>Total</b>	<b>39,725</b>	<b>36,238</b>
<b>3.9.1 Instrument entirely of equity in nature</b>		
<b>Preference Shares</b>	89	89
<b>Authorised</b>		
1,000,000 (March 31, 2023: 1,000,000) preference shares of Re. 10 each	100	100
	<b>100</b>	<b>100</b>
<b>Issued, subscribed and paid up capital</b>		
894,000 (March 31, 2023: 894,000) preference shares of Rs. 10 each fully paid-up	89	89
	<b>89</b>	<b>89</b>
<b>Reconciliation of number of shares</b>		
<b>Preference shares [refer note no. 3.9.1 (a)]</b>		
Balance at the beginning of the year 894,000 (March 31, 2023: 894,000) shares of Re. 10 each fully paid-up	89	89
 Balance at the end of the year - 894,000 (March 31, 2023: 894,000) shares of Rs. 10 each	<b>89</b>	<b>89</b>
<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Preference shares [refer note no. 3.9.1 (a)]</b>		
Preference Shares of Rs. 10 each fully paid up held by Reliance Power Limited - Holding company		
Percentage of holding in the class	100%	100%
Number of shares	8,94,000	8,94,000
3.9.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited ) (refer note 3.9.5(a) below)	4,912	4,912
3.9.3 Securities premium account	17,701	17,701
3.9.4 Retained earnings		
Balance at the beginning of the year	13,626	8,509
Profit for the year	3,486	5,117
Add: Remeasurements of post-employment benefit obligation (net)	(1)	-
 Balance at the end of the year	<b>17,111</b>	<b>13,626</b>
	<b>39,724</b>	<b>36,239</b>

**3.9.5 Nature and purpose of other reserves:**

- a. **Capital reserve (arisen pursuant to scheme of amalgamation with erstwhile Maharashtra Energy Generation Infrastructure Limited)**  
The Capital reserve of Rs. 4,912 lakhs had arisen pursuant to the scheme of amalgamation with Erstwhile Maharashtra Energy Generation Infrastructure Limited (MEGIL), sanctioned by the Hon'ble High Court of Bombay vide order dated April 12, 2013. The scheme was effective from January 1, 2013.

b. **Securities premium account**

Securities premium is for premium issue of shares. The reserve would be utilized in accordance with the provision of the Companies Act, 2013.

Particulars	Rupees in lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>3.10 Non-current borrowings</b>		
Secured - at amortised cost - Term loans		
Term loans:		
Foreign currency loans from financial Institution/ Bank	18,971	23,789
	<b>18,971</b>	<b>23,789</b>
<b>3.10.1 Nature of security for Term Loans:</b>		
a) Term loans balance from financial Institution/ other parties of Rs. 49,644 (March 31, 2023 Rs. 50,300 ) is secured / to be secured by first charge on all the Immovable and movable assets and intangible asset of the Company on pari passu basis and pledge of 99.99% of the total issued share capital of the Company held by the Holding Company. (Refer Note No.7)		
b) Current maturities of long term borrowings have been classified as current Borrowings (refer note 3.12)		
<b>3.10.2 Terms of Repayment and Interest</b>		
a) Foreign currency loan from financial Institution/ other parties is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and Interest is payable based on Commercial Interest Reference Rate which is 2.97% per annum. The outstanding balance as on year end is Rs.29135 lakhs (March 31, 2023 Rs. 30,065 lakhs)		
b) Foreign currency loan from financial Institution/ other parties of is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest is payable at the rate of 6 months USD LIBOR plus 2.5% per annum. The outstanding balance as on year end is Rs. 20,508 lakhs (March 31, 2023 Rs. 20,236 lakhs)		
<b>3.10.3</b> The amortised cost disclosed above is net off incidental cost of borrowings aggregating Rs.303 lakhs (March 31, 2023 Rs.435 lakhs).		
<b>3.11 Non-current provisions</b>		
Provision for gratuity (refer note : 6)	7	5
Provision for leave entitlement (refer note : 6)	5	4
	<b>12</b>	<b>9</b>
<b>3.12 Current borrowings</b>		
Secured - at amortised cost		
Current maturities of long-term borrowings (refer note: 3.10)	30,364	25,992
	<b>30,364</b>	<b>25,992</b>
<b>3.13(a) Trade payables</b>		
Total Outstanding dues of micro enterprises and small enterprises (refer note 16)	55	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	235	399
	<b>290</b>	<b>399</b>
<b>3.13(b) Other current financial liabilities</b>		
Interest accrued but not due on borrowings	250	245
Interest accrued and due on borrowings	1,249	994
Retention money payable	67	61
Dues to Holding Company (refer note 8)	75	75
Dues to Fellow Subsidiary (refer note 8)	25	25
	<b>1,666</b>	<b>1,400</b>
<b>3.14 Other current liabilities</b>		
Other payables*	9	14
*(Including provident fund, tax deducted at source and other miscellaneous payables)		
	<b>9</b>	<b>14</b>
<b>3.15 Current provisions</b>		
Provision for gratuity (refer note : 6)	1	1
Provision for leave entitlement (refer note : 6)	1	-
Provision for regulatory matters		
	<b>2</b>	<b>1</b>

3.1 Property, Plant and Equipment

	Freehold land	Leasehold Land	Plant and equipment	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Rupees In lakhs	
									Total	Total
Carrying amount as at March 31, 2022	21	21	71,839	760	1	4	@	1	72,648	
Additions during the year	-	-	696	-	-	-	-	-	696	
Adjustments	-	-	3,849	-	-	-	-	-	3,849	
Carrying amount as at March 31, 2023	21	21	76,384	760	1	4	@	1	77,193	
Deemed cost as at April 1, 2023	21	21	64,467	760	1	4	@	1	65,275	
Additions during the year	-	-	589	-	-	-	-	-	589	
Adjustments	-	-	645	-	-	-	-	-	645	
Deductions during the year	-	-	4,291	-	-	-	-	-	4,291	
Carrying amount as at March 31, 2024	21	21	73,327	760	1	4	@	1	78,426	
Accumulated depreciation										
Balance as at March 31, 2022	-	7	42,580	413	@	3	@	1	43,003	
For the year	-	1	1,633	14	@	-	-	@	1,648	
Balance as at March 31, 2023	-	8	44,213	427	@	3	@	1	44,651	
For the year	-	1	1,972	14	@	-	-	@	1,987	
Deductions during the year	-	-	4,076	-	-	-	-	-	4,076	
Balance as at March 31, 2024	-	9	42,110	441	@	3	@	1	46,639	
Net Block										
As at March 31, 2023	21	13	32,171	333	1	1	-	1	32,541	
As at March 31, 2024	21	12	31,217	318	1	1	@	@	31,572	

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

Particulars	Rupees In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>3.8 Share capital</b>		
<b>Authorised</b>		
1,000,000 (March 31, 2023: 1,000,000) equity shares of Rs. 10 each	100	100
	<b>100</b>	<b>100</b>
<b>Issued, subscribed and fully paid up capital</b>		
904,000 (March 31, 2023: 904,000) equity shares of Rs. 10 each fully paid-up	90	90
	<b>90</b>	<b>90</b>
<b>3.8.1 Reconciliation of number of equity shares</b>		
<b>Equity shares</b>		
Balance at the beginning of the year - 904,000 (March 31, 2023: 904,000) shares of Rs. 10 each	90	90
Balance at the end of the period - 904,000 (December 31, 2023: 904,000) shares of Rs. 10 each	<b>90</b>	<b>90</b>
<b>3.8.2 Rights, preference and restriction attached to equity shares</b>		
<b>a) Equity shares</b>		
The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled for one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
<b>3.8.3 Shares held by Holding Company</b>		
<b>Equity Shares</b>		
Reliance Power Limited - Holding Company	90	90
904,000 (March 31, 2023: 904,000) equity shares of Rs. 10 each fully paid (Out of the above, 1 share is jointly held by Reliance Power Limited and its nominees).		
	<b>90</b>	<b>90</b>
<b>3.8.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Equity shares</b>		
Equity shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company		
Percentage of holding in the class	100%	100%

**Dhursar Solar Power Private Limited**
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

Particulars	Rupees in lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>3.16 Revenue from operations</b>		
Sale of energy (refer note 8) (Net of UI charges)	10,137	9,605
	<b>10,137</b>	<b>9,605</b>
<b>3.17 Other income</b>		
Interest income:		
Bank deposits	356	254
Interest Received others	425	425
Other non-operating income	56	667
	<b>837</b>	<b>1,346</b>
<b>3.18 Employee benefits expense</b>		
Salaries, bonus and other allowances	68	8
Contribution to provident fund and other funds	3	1
Gratuity and leave entitlement	4	11
	<b>75</b>	<b>20</b>
<b>3.19 Finance cost</b>		
Interest and finance charges on financial liabilities measured at amortised cost:		
On Foreign currency loans	3,048	2,399
Other finance charges	4	8
	<b>3,052</b>	<b>2,407</b>
<b>3.20 Other expenses</b>		
Stores and spares consumed	328	444
Rent expenses	5	4
Transmission charges	827	696
Operation and maintenance service charges	126	108
Other operating expenditures	114	107
Repairs and maintenance - Plant & Equipment	139	46
Legal and professional charges	366	263
Rates and taxes	-	18
Insurance	58	56
Loss on sale of assets	215	-
Foreign exchange loss Short-term	126	-
Expenditure towards corporate social responsibility	56	-
Miscellaneous expenses	10	20
	<b>2,370</b>	<b>1,760</b>

## **Dhursar Solar Power Private Limited**

### **Notes to the financial statements for the year ended March 31, 2024 (continued)**

#### **1) General information**

Dhursar Solar Power Private Limited is a wholly owned subsidiary of Reliance Power Limited. The Company had developed and is operating 40 MW Solar Photo-Voltaic Power Plant at Dhursar, District Jaisalmer, Rajasthan. The Company had entered into long term Energy Purchase Agreement (EPA) with Reliance Infrastructure Limited (R-Infra) for its entire capacity which is later transferred to Adani Electricity Mumbai Limited (AEML). The Company has declared commercial operation from March 28, 2012.

The Company is a private limited company which is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at Ground Floor, Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

These financial statements were authorized for issue by the board of directors on April 23, 2024.

#### **2) Significant accounting policies, critical accounting estimates and judgments:**

##### **2.1 Basis of preparation, measurement and significant accounting policies,**

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

##### **(a) Basis of preparation**

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made there under.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

##### **Functional and presentation currency**

The financial statements are presented in 'Indian Rupees', which is also the Company functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

##### **Historical cost convention**

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

##### **Fair value measurement**

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are 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.

##### **Current vis-à-vis non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

**(b) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes, duties, trade discount and rebate less accumulated depreciation and impairment loss if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Spare parts are recognized when they meet the definition of property, plant and equipment; otherwise, such items are classified as inventory.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of Plant and equipment where useful life has been estimated as 25 years based on Internal assessment and technical evaluation by management.

Particulars	Useful live
Buildings	3 to 30 years
Lease hold land	Over the lease period
Property, Plant and Equipment	3 to 25 years
Furniture and fixtures	10 years
Motor Vehicles	3 to 8 years
Office equipments	3 to 5 years
Computers	3 to 6 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

**(c) Intangible assets:**

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

**Amortisation method and periods**

Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer and software are amortised over the estimated useful live of three years.

**(d) Impairment of non-financial assets**

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(e) Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(f) Financial instruments:**

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

**Investments and other financial assets**

**i. Classification**

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company has selected to account for investment in equity instrument of the fellow subsidiaries at cost in its financial statement.

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

**ii. Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

(FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments:** The Company subsequently measures all equity investments (including investment in subsidiaries) at cost.

**iii. Impairment of financial assets**

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

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

**iv. Derecognition of financial assets**

A financial asset is derecognised only 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 to one or more recipient

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**v. Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

**vi. Derivative Financial Instruments:**

Derivative are initially recognised at fair value on the date of derivative contract is entered into and are subsequently re-measure to their fair value at the end of the each reporting period. Further gain / (losses) arising on settlement and fair value change on derivative contracts are classified to finance cost.

**(g) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Contributed equity**

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

**(i) Financial liabilities**

**i. Classification as debt or equity**

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

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

**ii. Initial recognition and measurement**

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's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**iii. Subsequent measurement**

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

**Borrowings:** Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

**iv. Derecognition**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). 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 derecognition 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 or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**(j) Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities**

Contingent liabilities are disclosed when 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 that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

**Contingent Assets:**

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

**(k) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**(l) Foreign currency translation:**

**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

All exchange differences arising on reporting foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Ind AS-101 to continue the policy adopted in Previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

**(m) Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement

**i. Sale of energy**

Revenue from sale of energy is recognized on an accrual basis as per the tariff rate notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of Energy purchase agreement (EPA) with Adani Electricity Mumbai Limited (AEML) Mumbai and agreement cum-indemnity with Reliance infrastructure Limited (Rinfra) with effect from August 29, 2018.

**ii. Other operating income**

Revenue from certified reduction units is recognised as per terms and conditions agreed with trustee on sale of certified emission reduction units.

**(n) Employee benefits:**

**Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Defined contribution plans**

##### **Provident fund**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### **Superannuation**

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

#### **(o) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **(p) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

**(q) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

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.

**(r) Cash flow statement**

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

**(s) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Project Director of Company that makes strategic decisions.

**(t) Dividends:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(u) Business combinations**

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (vi) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

**(v) Inventories:**

Inventories of tools, stores, spares parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non refundable duties and charges incurred in bringing the goods to their present location and condition, and net realizable value after providing for obsolescence and other losses

## **2.2 Critical accounting estimates and judgments**

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

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

### **(a) Useful lives of Power Plant and Depreciation method**

Management of the Company decided the estimated useful lives of power plant and respective depreciation. The accounting estimate is based on the expected wears and tears incurred during power generation. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, Plant and Equipments (refer note 3.1).

### **(b) Income taxes and Deferred tax**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period (refer note 10).

### **(c) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of Property, plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated efficiency of the plant, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

### **(d) Fair value measurement and valuation process**

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances (refer note 11).

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**(e) Recent accounting pronouncement:**

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i. Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii. Ind AS 102 – Share-based Payment
- iii. Ind AS 103 - Business Combination
- iv. Ind AS 107 – Financial Instruments Disclosures
- v. Ind AS 108 - Financial Instrument
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**4) Contingent liabilities and commitments**

There are no contingent liabilities as of March 2024.

**5) Details of remuneration to auditors:**

Particulars	Rupees in lakhs	
	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) As auditors		
For statutory audit	5	5
For Certification	@	@
(b) Out-of-pocket expenses	@	@

@ Amount is below the rounding off norm adopted by the Company

**6) Employee benefit obligations**

The Company has classified various employee benefits as under:

**a) Defined contribution plans**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
- Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Rupees in lakhs	
	Year Ended March 31, 2024	Year ended March 31, 2023
(i) Contribution to provident fund	2	1
(ii) Contribution to employees' superannuation fund	-	-
(iii) Contribution to employees' pension scheme 1995	@	@
(iv) Contribution to employees' deposit linked insurance scheme	@	@

@ Amount is below the rounding off norm adopted by the Company

**b) Post employment obligation**

**Gratuity**

The Company has a defined benefit plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employees, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basis salary last drawn by the employee concerned.

**(i) Significant estimates: actuarial assumptions**

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2024	March 31, 2023
Discount rate (per annum)	7.15%	7.30%
Rate of increase in compensation levels	7.50%	7.50%
Expected average remaining working lives of employees in number of years	8.17	5.93

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Dhursar Solar Power Private Limited  
Notes to the financial statements for the year ended March 31, 2024 (continued)

(ii) Balance Sheet amount (Gratuity Plan)

Rupees in Lakhs

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Balance as on March 31, 2023	6	-	6
Current service cost	1	-	1
Past service cost	-	-	-
Interest cost	@	-	@
Total amount recognised in profit and loss	7	-	7
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	@	-	@
Experience (gains) / losses	1	-	1
Total amount recognised in other comprehensive income	8	-	8
Employer contributions	-	-	-
Benefit payments	-	-	-
Balance as on March 31, 2024	8	-	8

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Balance as on March 31, 2022	6	-	6
Current service cost	-	-	-
Past service cost	-	-	-
Interest cost	-	-	-
Total amount recognised in profit and loss	6	-	6
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	-	-	-
Experience (gains) / losses	-	-	-
Total amount recognised in other comprehensive income	-	-	-
Employer contributions	-	-	-
Benefit payments	-	-	-
Balance as on March 31, 2023	6	-	6

@ Amount is below the rounding off norm adopted by the Company

The net liability disclosed above relates to funded and unfunded plans are as follows:

Rupees in lakhs

Particulars	March 31, 2024	March 31, 2023
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of gratuity plan	-	-
Unfunded plans	8	6
Deficit of gratuity plan	8	6

## (iii) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		increase in assumptions		decrease in assumptions	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	0.50%	0.50%	-3.96%	-3.90%	4.22%	4.17%
Rate of increase in compensation levels	0.50%	0.50%	4.18%	4.14%	-3.96%	-3.92%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

For unfunded plan, the Company has no compulsion to pre fund the liability of the plan. The Company's policy is not to externally fund these liabilities but instead recognizes the provision and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

## 7) Assets pledged as security

Particulars	Rupees in Lakh	
	March 31, 2024	March 31, 2023
<b>Non-current</b>		
<b>Financial assets</b>		
First charge		
Investments	3	3
Other financial assets	1	1
<b>Non-financial assets</b>		
First charge		
Property, plant and equipment	31,572	32,540
Other non-current assets	2,034	2,034
<b>Total Non-current assets pledged as security</b>	<b>33,610</b>	<b>34,578</b>
<b>Current</b>		
<b>Financial assets</b>		
First charge		
Trade receivables	24,510	20,144
Cash and bank balances	8,200	8,552
Loans	15,681	15,681
Other financial assets	2,190	2,077
<b>Non-financial assets</b>		
Inventories	131	124
Other current assets	6,761	6,762
<b>Total Current assets pledged as security</b>	<b>57,473</b>	<b>53,340</b>
<b>Total assets pledged as security</b>	<b>91,083</b>	<b>87,918</b>

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**8) Related party transactions:**

**A. Parties where control exists:**

**Holding Company**  
Reliance Power Limited (RPower)

**Fellow subsidiaries:**  
Sasan Power Limited (SPL)

**B. Investing parties/promoters having significant influence on the Company directly or indirectly:**  
**Companies**

Reliance Infrastructure Limited (R Infra)

**Rupees in Lakh**

<b>C</b>	<b>Details of transactions during the year and closing balance at the end of the year:</b>		
	<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(i)</b>	<b>Transactions during the year:</b>		
	<b>Sales</b>		
	- R Infra (Sale of Energy net of UI Charges)	4,338	4,107
	<b>Interest on Inter Corporate given to</b>		
	- R Infra	425	424

		<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(ii)</b>	<b>Closing Balance :</b>		
	<b>Equity share capital (excluding premium)</b>		
	- R Power	90	90
	<b>Preference share capital (excluding premium)</b>		
	- R Power	89	89
	<b>Capital Advance</b>		
	- R Infra	2,034	2,034
	<b>Other Receivables</b>		
	- R Power	4,233	4,233
	- Reliance Infra	2,527	2,527
	<b>Trade receivables</b>		
	- R Infra	23,944	19,606
	<b>Non-current Investments (refer note 3.2(a))</b>		
	SHPPL	3	3
	<b>Inter corporate deposit given</b>		
	- R Power	11,645	11,645
	- R Infra	4,035	4,035
	<b>Interest on Inter Corporate deposit given</b>		
	- R Infra	2019	1,595
	<b>Other Current Liabilities</b>		
	- R Power	75	75
	- SPL	23	23

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2024 (continued)**

- (iii) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.
- (iv) The Company has entered into a memorandum of understanding for sharing of certain assets between the Company and Rajasthan Sun Tech Energy Private Limited.

**9) Earnings per share:**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit/(Loss) available to equity shareholders</b>		
Net profit/(loss) after tax (A) (Rupees in lakhs)	3,490	5,117
Weighted average number of equity shares (B)	9,04,000	904,000
<b>Basic earnings per share (A/B) (Rupees)</b>	386.06	566.03
Weighted average number of potential equity shares on account of conversion of preference shares (C)	8,94,000	894,000
Weighted average number of shares for Diluted EPS(D=B+C)	1,798,000	1,798,000
<b>Diluted earnings per share (A/D) (Rupees)</b>	194.10	284.54
Nominal value of an equity share (Rupees)	10.00	10.00

**10) Income taxes**

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are as under:

<b>(a) The reconciliation of tax expense and the accounting profit multiplied by tax rate : Rupees in lakhs</b>		
Particulars	March 31, 2024	March 31, 2023
Profit/(loss) before tax (A)	5117	5117
<b>Tax at the Indian tax rate of 25.17%(2021-22 – 25.17% )</b>	878	1288
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Tax impact on disallowed expenses (net)	(878)	(1208)
<b>Income tax expense</b>	-	-

<b>(b) Tax liabilities/ (Assets): Rupees in lakhs</b>		
Particulars	March 31, 2024	March 31, 2023
Provision for income tax (advance tax) – Opening balances	(102)	(102)
Taxes paid (net of refund)	(31)	(3)
Current tax payable for the year	-	-
Provision for income tax (advance tax) – Closing balances	(136)	(105)

Dhursar Solar Power Private Limited  
Notes to the financial statements for the year ended March 31, 2024 (continued)

11) Fair value measurements

(a) Financial instruments by category

Particulars	Rupees in lakhs			
	March 31, 2024		March 31, 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Security Deposit	-	164	-	164
Trade receivables	-	24510	-	20,144
Cash and cash equivalents	-	2799	-	3,472
Bank deposits with more than 12 months maturity	-	5,401	-	5,080
Inter corporate deposits	-	15,681	-	15,681
Other financial assets	-	6762	-	6762
<b>Total financial assets</b>	-	<b>55,318</b>	-	<b>51,303</b>
<b>Financial liabilities</b>				
Borrowings	-	49335	-	49,781
Trade payables	-	292	-	399
Other current financial liabilities	-	1665	-	1400
Derivatives Liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	<b>51,292</b>	-	<b>51,580</b>

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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 IND AS as below.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024

Particulars	Notes	Rupees in Lakh			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	3.2(b) & 3.5(d)	-	-	164	164
<b>Total financial assets</b>		-	-	<b>164</b>	<b>164</b>
<b>Financial Liabilities</b>					
Borrowings	3.10 & 3.12(b)	-	49,781	-	49,781
<b>Total financial liabilities</b>		-	<b>49,781</b>	<b>164</b>	<b>49,945</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023

Particulars	Notes	Rupees in Lakh			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	3.2(b) & 3.5(d)	-	-	164	164
<b>Total financial assets</b>		-	-	<b>164</b>	<b>164</b>
<b>Financial Liabilities</b>					
Borrowings	3.10 & 3.12(b)	-	49,335	-	49,782
<b>Total financial liabilities</b>		-	<b>49,335</b>	<b>164</b>	<b>49,499</b>

**(c) Valuation processes**

The Company obtains assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodically basis.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**(d) Valuation technique used to determine fair values**

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable curves.
- The fair value of forward foreign exchange contracts is determined using Bloomberg forward contract pricing model, which determines fair value on a discounted cash flow basis.
- The fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- The fair value of remaining financial instruments is determined using discounted cash flow analysis.

**(e) Fair value of financial assets and liabilities measured at amortised cost**

Particulars	Rupees in Lakh			
	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Security deposits	164	164	164	164
<b>Total financial assets</b>	<b>164</b>	<b>164</b>	<b>164</b>	<b>164</b>
<b>Financial Liabilities</b>				
Borrowings*	50,834	49,335	51,022	49,782
<b>Total financial liabilities</b>	<b>50,834</b>	<b>49,335</b>	<b>51,022</b>	<b>49,782</b>

\*Carrying amount of borrowing includes long term borrowing, current maturity of long term borrowing and interest accrued but not due on borrowing.

The carrying amount of current financial assets and liabilities (other than current maturity of long term borrowing and interest accrued but not due on borrowing which have been considered as part of borrowing) are considered to be the same as their fair values, due to their short term nature.

The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

**Note**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) 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. This is the case for unlisted equity securities which are included in level 3.

There were no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

**12) Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	only high rated banks/institutions are accepted
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Partly hedge by foreign exchange forward, cross currency and call spread contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Partly hedge by Interest rate swap

**(a) Credit risk**

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers towards sale of electricity as per the terms of PPA and CERC.

**Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company credit risk arises from accounts receivable balances on sale of electricity is based on the PPA entered with the power procurer and inter-corporate deposits / loans given to group entities. The credit risk is low as the sale of electricity is based on the terms of the PPA which has been approved by the regulator. The Inter-corporate deposits / loan have been given only to the holding company.

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

**(b) Liquidity risk**

- (i) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans

(ii) **Maturities of financial liabilities**

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rupees in lakhs

March 31, 2024	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	32582	20427	-	53,009
Trade payables	292	-	-	65
Retention money payable	67	-	-	61
Due to Holding Company	75	-	-	100
Dues to Fellow Subsidiary	25	-	-	33
<b>Total Non-derivatives Financial liabilities</b>	<b>33041</b>	<b>20,427</b>	<b>0</b>	<b>53442</b>

53268

Rupees in lakhs

March 31, 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	26,807	22,868	3,220	52,895
Trade payables	399	-	-	399
Retention money payable	61	-	-	61
Due to Holding Company	75	-	-	75
Dues to Fellow Subsidiary	25	-	-	25
<b>Total Non-derivatives financial liabilities</b>	<b>27,235</b>	<b>22,868</b>	<b>3220</b>	<b>53,455</b>

\* Includes contractual interest payments based on the interest rate prevailing at the reporting date.

(c) **Market risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has long term monetary liabilities which are in currency other than its functional currency. Foreign currency risk, as defined in Ind AS 107, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Also refer note 2(l) on Company's policy on accounting for exchange difference.

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

- **Foreign currency risk exposure:**

The Company's exposure to foreign currency risk (all in USD \$) at the end of the reporting period expressed in INR, are as follows.

Particulars	Rupees in lakhs	
	March 31, 2024	March 31, 2023
<b>Financial liabilities</b>		
Borrowings	50,834	51,022
<b>Gross foreign currency exposure</b>	<b>50,834</b>	<b>51,022</b>
Covered by derivatives	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>50,834</b>	<b>51,022</b>

- **Sensitivity of foreign currency exposure**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2024	March 31, 2023
<b>USD sensitivity</b>		
FX rate – increase by 6% on closing rate on reporting date*	(3050)	(3061)
FX rate– decrease by 6% on closing rate on reporting date *	3,050	3,061
* Holding all other variables constant		

**(ii) Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2024 the Company's borrowings at variable rate were mainly denominated in USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- **Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Rupees in lakhs	
	March 31, 2024	March 31, 2023
Variable rate borrowings	20,445	20,173

- **Sensitivity of Interest**

Profit or loss is sensitive to higher/ (lower) interest expense from borrowings as a result of changes in interest rates.

Particulars	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2024	March 31, 2023
<b>Interest sensitivity</b>		
Interest cost – increase by 5% on existing Interest cost*	(94)	(54)
Interest cost – decrease by 5% on existing Interest cost*	94	54

\* Holding all other variables constant

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**13) Capital Management**

**(a) Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity includes the fair value impact. Debt includes long term borrowing and current maturity. The following table summarizes the capital of the Company:

Particulars	Rupees in lakhs	
	March 31, 2024	March 31, 2023
Equity (excluding other reserves)	39,904	36,418
Debt	49,335	49,782
<b>Total</b>	<b>89,239</b>	<b>86,200</b>

(b) The Company is generally regular in payment of its debt service obligation.

**14) Segment reporting**

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

**Information about major customers**

Revenue for the year ended March 31, 2023 and March 31, 2022 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2023 and March 31, 2022 were as follows: (Refer note 2(m)(i))

Customer Name	For the year ended			
	March 31, 2024		March 31, 2023	
	Revenue in lakhs	Percent	Revenue in lakhs	Percent
R infra (net off UI Charges)	4,338	43%	4,107	43%
Adani Electricity Mumbai Ltd (net off UI Charges)	5,799	57%	5,498	57%
	10,137	100%	9,605	100%

**15) Exchange Difference on Long Term Monetary Items**

In accordance with Para D13AA of Ind AS 101 "First time adoption of Indian Accounting Standards" and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. The Company has adjusted the value of Plant and equipment by of Rs.645 lakhs (Loss) (March 31, 2023 Rs. 3826 lakhs (Loss) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**16) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined based on the information available with the Company and the required disclosure are given below.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) The principal amount remaining unpaid to supplier as at the end of the accounting year (refer note 3.12(a))	55	-
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	@	@
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	@	@
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

@ Amount is below the rounding off norm adopted by the Company.

**17) Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - statement of cash flows**

Particulars	Rupees in lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Long Term Borrowings</b>		
Opening Balance		
- Non Current	23789	26,707
- Current	25992	20,006
Changes in Fair Value		
- Impact of Effective Rate of Interest	133	154
- Exchange (gain) / loss	771	4063
Repaid during the year/period	(1350)	(1148)
Closing Balance		
- Non Current	18971	23789
- Current	30364	25992
<b>Interest Expenses</b>		
Interest accrued but not due on borrowings (Opening)	994	24
Interest accrued and due on borrowings (Opening)	245	692
Interest charge as per statement profit and loss	3048	2406
Changes in Fair Value		
- Impact of Effective Rate of Interest	(133)	(154)
- Impact of MTM Derivative valuation	-	-
Interest paid to Lenders	(2655)	(1514)
Interest accrued and due on borrowings (Closing)	994	994
Interest accrued but not due on borrowings (Closing)	245	245

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (continued)**

**18) Delay / Default in repayment of Borrowings (Non-current) and Interest**

The Company has delayed/defaulted in the payment of borrowings. The lender wise details are as under:

Name of Lender	Borrowings				Interest			
	Delay in repayment during the year ended March 31, 2024		Default as at March 31, 2024		Delay in repayment during the year ended March 31, 2024		Default as at March 31, 2024	
	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
Asian Development Bank	-	-	10,968	1833	1,611	187	1,000	187
US Exim	1,349	1,282	14,037	1467	1,039	102	5,01	6
<b>Total</b>	<b>1,349</b>		<b>25,005</b>		<b>2,650</b>		<b>1,501</b>	

**19) Trade Receivable Ageing Schedule :**

Particulars	Rupees in Lakh				
	OS for Following period from Due date of Payment				
	> 1 year	1 - 2 Year	2- 3 Years	< 3 Year	Total
Undisputed Trade Receivables - Considered Good	5,301	4,116	3,916	11,177	24,510
Undisputed Trade Receivables Considered doubtful	-	-	-	-	-
Disputed Trade Receivables - Considered Good	-	-	-	-	-
Disputed Trade Receivables Considered Doubtful	-	-	-	-	-

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**20) Trade Payable Ageing :**

Particulars	Rs. In Lakh				
	OS for Following period from Due date of Payment				
	Less than 1 Year	1 - 2 Year	2- 3 Years	More than 3 Year	Total
MSME	55	-	-	-	55
Others	237	-	-	-	237

**Dhursar Solar Power Private Limited**

Notes to the financial statements for the year ended March 31, 2024 (continued)

**21) Ratio Details:**

S r	Particulars	March 31, 2024	March 31, 2023
A	Current ratio	1.78	1.92
B	Debt Equity ratio	1.24	1.37
C	Debt Service Coverage ratio	1.73	2.14
D	Return on Equity ratio	0.09	0.14
E	Trade Receivables turnover ratio	0.43	0.53
F	Trade Payables turnover ratio	48.02	109.77
G	Net Capital turnover ratio	0.16	0.16
H	Net Profit ratio	0.36	0.53
I	Return on capital employed	0.04	0.06

Ratios have been computed as under:

- A. Current Ratio: Current Assets/Current Liabilities
- B. Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve
- C. Debt Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / (Interest on Long Term and Short Term Debt for the period/year + Principal Repayment of Long Term Debt for the period/year).
- D. Return on Equity = Net profit / Shareholder's fund
- E. Trade Receivables turnover ratio = Turnover / Average Receivables
- F. Trade Payables turnover ratio = Turnover / Average Payables
- G. Net Capital turnover ratio = Turnover / Capital Employed
- H. Net Profit ratio = Net Profit / Turnover
- I. Return on capital employed = Net Profit / (Debt + Equity)

**22)** The figures for the previous year are re-classified / re-grouped, wherever considered necessary.

**23) a)** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner 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.

**(b)** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**24)** As per Section 248 of the Companies Act 2013, there are no balances outstanding with struck off companies.

**25)** During the year the company is not declared willful defaulter by any bank or financial institution or the Lender.

**Dhursar Solar Power Private Limited**

As per our attached Report of even date

**For Shridhar & Associates**  
Firm Registration No: 0134427W  
Chartered Accountants

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

**Jitendra Sawji**  
Partner  
Membership No. 050980

**Mantu Kumar Ghosh**  
Director  
DIN - 07644889

Place: Mumbai  
Date: April 23, 2024

**Manoj Pongde**  
Director  
DIN 7728913