HSA & ASSOCIATES
CHARTERED ACCOUNTANTS

No.56, 1st Floor
Thirumalai Pillai Road, T.Nagar
Chennai - 600017

Independent Auditor's Report

To the Members of
ENRECOVER ENERGY RECOVERY SOLUTION PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Enrecover Energy Recovery Solution Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the financial statements.

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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 we do not provide a separate opinion in these matters. We have determined that there are no key audit matters to communicate in our report.

Material Uncertainty Related to Going Concern

The Company had incurred losses in the current and in the previous years and the net worth is fully eroded. Based on the proposed business plans and the unconditional letter of support from the holding company for extending financial assistance to commence the operation, the Company believes that it would be able to meet its financial requirements and maintain profitable operations in the long run. Accordingly, the financial statements have been prepared on going concern basis. Our opinion is not modified in respect of this matter.

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income,

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changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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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 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 cash flow and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) Reporting requirements with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the company, as the company is small company as defined under Section 2(85) of Companies Act, 2013.

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013695S
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(g) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. According to the information and explanation given to us, no amount is required to be transferred to the Investor Education and Protection Fund under the provisions of the Companies Act and Rules made there under.

(h) (i) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(is), 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.

(ii) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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

(iii) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.

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2. Reporting requirements under the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16):
The Company is a private limited company and hence the provisions of Section 197(16) of the Act, is not applicable.

for **HSA & Associates**
Chartered Accountants
Firm's registration number: 013695S

Aravind. S
Partner
Membership number: 228252

Place: Chennai
Date: 27-05-2022
UDIN: 22228252AOBHYD4136

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Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022 we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment of the Company were physically verified by the Management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties for which title deeds needs to be verified, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) The company has not revalued its property, plant and equipment during the year and hence the requirements under paragraph 3 (i)(d) of the order is not applicable to the Company.

(e) There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of providing energy recovery services from industrial applications and does not have any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the company.

(b) According to the information and explanation given to us and the records examined by us, the company has not been sanctioned working capital limits in excess of INR 5 Crores in aggregate from banks/financial institutions during the year on the basis of security of current assets of the Company. Therefore, clause (ii)(b) of para 3 of the order is not applicable to the Company.

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(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 and 186 apply.

(v) According to the information and explanations given to us the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2022. Hence reporting under clause 3(v) of the Order is not applicable to the company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products or services rendered by the Company. Therefore, clause (vi) of para 3 of the order is not applicable to the company.

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of Income Tax, Goods and Service Tax and Cess, duty of customs and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and based on the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, there are no unrecorded income to be recorded in the books of accounts during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government. Hence reporting under clause 3(ix) of the Order is not applicable to the company.

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(x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans. Hence reporting under clause 3(x) (a) of the Order is not applicable to the company

(b) According to the information and explanations give to us and based on our examination of the records of the Company, there are no private placement of the securities of the company during the year and hence compliance with Section 42 of the Companies Act, 2013 is not applicable. Hence reporting under clause 3(x) (b) of the Order is not applicable to the company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, no material fraud by the Company and on the company have been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us the Secretarial Auditor have not filed report in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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Chartered Accountants

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(xiv) The internal audit is not applicable to the company as per the Companies act 2013. Therefore, clause (xiv) of Para 3 is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence the provision of section 192 of the Companies Act.2013 are not applicable to the company.

(xvi) According to the information and explanations given to us and verified by us,

(a) the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.
(c) the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) There is no Core Investment Company as a part of the Group, hence, clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us, the Company has incurred cash losses in the current year of INR 3,11,07,674 and the immediately preceding financial year of INR 1,57,37,056.

(xviii) There has no resignation of statutory auditors during the year and thereby reporting under clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 20.11(xiv) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable* of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is

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Chartered accountants

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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) In our opinion, section 135 of the Companies Act 2013 is not applicable to the company. Therefore clause (xx) of Para 3 is not applicable.

(xxi) The Company is not required to prepare consolidated financial statement. Therefore, clause (xxi) of para 3 of the order is not applicable to the Company.

for **HSA & Associates**
Chartered Accountants
Firm's Registration Number: 013695S

HSA & ASSOCIATES
F.R.No. 013695S
Chartered Accountants

S. Aravind
Partner
Membership Number: 228252

Place: Chennai
Date: 27-05-2022
UDIN: 22228252AOBHYD4136

Enrecover Energy Recovery Solution Private Limited
CIN : U74999PN2017PTC170709
Balance sheet as at 31 March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	1,648.99	1,571.38
(b) Capital Work in Progress	4	6,189.14	-
(c) Other Financial Assets	8	561.60	561.60
(d) Deferred Tax Asset (Net)	12	-	-
Total non-current assets		**8,399.73**	**2,132.98**
Current assets			
(a) Financial Assets			
(i) Trade receivables	5	6,099.75	2,708.03
(ii) Cash and cash equivalents	6	29.38	1,903.34
(iii) Bank balances (Other than (ii) above)	7	636.02	2,380.00
(iii) Other financial assets	8	29.42	24.10
(b) Other current assets	9	3,960.99	5,473.20
Total current assets		**10,755.55**	**12,488.67**
Total Assets		**19,155.29**	**14,621.65**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	100.00	100.00
(b) Other Equity	11	(51,934.21)	(20,593.02)
Total equity		**(51,834.21)**	**(20,493.02)**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	7.43	6.88
(c) Provisions	16	1,046.73	-
Total non-current liabilities		**1,054.16**	**6.88**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	50,536.60	30,847.29
(ii) Trade payables	15	4,186.73	660.29
(b) Provisions	16	127.71	-
(c) Other Financial Liabilities	17	14,317.22	3,600.21
(d) Other Current Liabilities	18	767.07	-
Total current liabilities		**69,935.34**	**35,107.79**
Total Equity and Liabilities		**19,155.29**	**14,621.65**

As per report of even date
for **HSA & Associates**
Chartered Accountants

Aravind. S
Partner
Membership No.: 228252

Place: Chennai
Date: 27-05-2022

On behalf of board of Directors of Enrecover Energy Recovery Solution Private Limited

K. Venkatesan

Chandrasekaran Viswanathan
Director
DIN-07205685

Venkatesan Krishnan
Director
DIN: 08245718

Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
CIN : U74999PN2017PTC170709
Statement of Profit and Loss for the year ended 31st March,2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	19	4,391.60	171.30
Other income	20	84.26	57.15
Total Income		**4,475.85**	**228.45**
Expenses			
Cost of Material Consumed	21	3,024.79	-
Employee benefits expense	22	11,875.62	7,112.78
Depreciation Expenses	23	233.51	403.75
Other expenses	24	17,798.68	7,431.29
Finance costs	25	2,884.44	1,017.69
Total expenses		**35,817.04**	**15,965.51**
Profit / (Loss) Before Tax		**(31,341.19)**	**(15,737.06)**
Tax expense:			
Current tax		-	-
Taxes relating to previous years		-	-
Deferred tax		-	-
Profit / (Loss) for the year		**(31,341.19)**	**(15,737.06)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Remeasurements of defined benefit obligations, net			
Total Comprehensive Income for the year		**(31,341.19)**	**(15,737.06)**
Earnings per equity share (of Rs. 10 each)			
Basic and Diluted earnings per share (in Rupees)		(3.13)	(1.57)

As per report of even date
for HSA & Associates
Chartered Accountants

Aravind. S
Partner
Membership No.: 228252

Place: Chennai
Date: 27-05-2022

On behalf of board of Directors of Enrecover Energy Recovery Solution Private Limited

K. Venkatesan

Chandrasekaran Viswanathan
Director
DIN-07205685

Venkatesan Krishnan
Director
DIN: 08245718

Enrecover Energy Recovery Solution Private Limited
Statement of cash flows for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (Loss) for the year	(31,341.19)	(15,737.06)
Adjustments for:		
Depreciation of property, plant and equipment	233.51	403.75
Interest Income on Fixed Deposits	(84.26)	(24.10)
Interest Expenses	2,884.44	1,017.69
Operating profit before working capital changes	**(28,307.49)**	**(14,339.72)**
Changes in assets and liabilities		
Decrease/(increase) in trade receivables	(3,391.71)	(90.62)
Decrease/(increase) in other financial assets	78.94	(320.10)
Decrease/(increase) in other current assets	1,512.20	(4,948.25)
Increase/(decrease) in trade payables	3,654.15	(282.77)
Increase/(decrease) in other financial liabilities	9,647.48	1,459.06
Cash generated from operations	**(16,806.43)**	**(18,522.41)**
Direct taxes paid / refund received	-	55.73
Net cash flow (used in) / generated from operating activities (A)	**(16,806.43)**	**(18,466.68)**
Cash flows from investing activities		
Sale / (purchase) of property, plant and equipment	(311.12)	(416.62)
Capital expenditure on acquisition of Property, Plant and Equipment and Intangible assets (including capital advances and capital work-in-progress, capital creditors)	(6,189.14)	-
Net cash generated from / (used in) investing activities (B)	**(6,500.26)**	**(416.62)**
Cash flows from financing activities		
Proceeds from borrowings	19,689.31	23,203.59
Other Bank balances	1,743.98	(2,380.00)
Finance cost paid	(0.55)	(99.58)
Net cash flow from financing activities (C)	**21,432.74**	**20,724.01**
Net increase in cash and cash equivalents (A+B+C)	(1,873.96)	1,840.71
Cash and cash equivalents at the beginning of the year	1,903.34	62.62
Cash and cash equivalents at the end of the year	**29.38**	**1,903.34**

Components of cash and cash equivalents	**As at 31 March 2022**	**As at 31 March 2021**
Cash and cash equivalents	29.38	1,903.34
Balance as per statement of cash flows	**29.38**	**1,903.34**

Significant accounting policies 3

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

for HSA & Associates
Chartered Accountants
F.No. 013695S

Aravind. S
Partner
Membership No.: 228252

Place: Chennai
Date: 27-05-2022

On behalf of board of Directors of Enrecover Energy Recovery Solution Private Limited

R. Venkatesan

Chandrasekaran Viswanathan
Director
DIN-07205685

Venkatesan Krishnan
Director
DIN: 08245718

Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
CIN : U74999PN2017PTC170709
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

A. Equity Share capital (also refer note-11)

Particulars	Number	Amount in Rs
Equity shares INR 10 each issued, subscribed and paid	10,000.00	100.00
Issue of equity shares	-	-
As at 31 March 2021	10,000.00	100.00
Issue of equity shares	-	-
As at 31 March 2022	10,000.00	100.00

B. Other Equity

Particulars	Capital Reserve	Securities Premium account	Retained Earnings	Total equity attributable to equity holders
As at 01 April 2020	**500.00**	**21.11**	**(5,377.08)**	**(4,855.97)**
Profit for the year	-	-	**(15,737.06)**	**(15,737.06)**
Other comprehensive income for the year	-	-	-	-
As at 31 March 2021	**500.00**	**21.11**	**(21,114.13)**	**(20,593.02)**
Profit for the year	-	-	**(31,341.19)**	**(31,341.19)**
Other comprehensive income for the year	-	-	-	-
As at 31 March 2022	**500.00**	**21.11**	**(52,455.32)**	**(51,934.21)**

Notes forming part of the Ind AS Financial statements 1-31

This is statement of changes in equity referred to in our report

for HSA & Associates
Chartered Accountants

Aravind. S
Partner
Membership No.: 228252

Place: Chennai
Date: 27-05-2022

On behalf of board of Directors of Enrecover Energy Recovery Solution Private Limited

Chandrasekaran Viswanathan
Director
DIN-07205685

K. Venkatesan

Venkatesan Krishnan
Director
DIN: 08245718

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Enrecover Energy Recovery Solution Private Limited
Notes on accounts to the financial statements for the year ended March 31, 2022

1 Reporting Entity

Enrecover Energy Recovery Solution Private Limited ("the Company" / "Enrecover") was incorporated on 30th May 2017 as a private limited company under the Companies Act, 2013. The registered office of the Company is located in Pune, Maharashtra. The Company is carrying on the business of the business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, storers, procurers, carriers and dealers in electrical power using customizable waste energy recovery options for Industrial applications and install this technology at various industries.

2 Basis of Preparation

A. Statement of Compliance

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.
The Company has incurred a net loss of INR 3,13,41,187 during the year ended March 31, 2022 and as of that date, the Company's total liabilities exceed its total assets by INR 5,18,34,208. As at March 31, 2022, the net worth of the Company was eroded due to losses in the current year. The Company is in the process of developing comprehensive business plans in order to improve profitability and strengthen the financial position so as to continue its operations in the current and foreseeable future. Further, shareholders and the holding company, SunEdison Infrastructure Limited, has also provided an unconditional letter of support for extending financial and other assistance to the Company, as and when required. Based on the proposed business plans and the unconditional letter of support from the holding company, the Company believes that it would be able to meet its financial requirements and maintain profitable operations in the long run. Accordingly, these financial statements have been prepared on the going concern assumption.
Details of the Company's accounting policies are included in Note 3.

B. 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 Rupee (INR), which is Company's functional and presentation currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgments

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

B. Financial instruments

i) ***Recognition and initial measurement***

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) ***Classification and subsequent measurement***

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both the following conditions and is not designated as FVTPL:

a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the

investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ASSOCIATES F.No. 013695 Chartered Accountants

Enrecover Energy Recovery Solutions Pvt Ltd

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice
- these include whether management strategy focuses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risk that affect the performance of the business model (and the financial assets held with in the business model) and how those risks are managed;
- how managers of the business are compensated
- the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that pertains or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

B. Financial instruments (continued)

ii) ***Classification and subsequent measurement***

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) *Derecognition*

Financial assets:
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) ***Offsetting***
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Impairment

i) ***Impairment of financial assets***
The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses
Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) ***Impairment of non-financial assets***

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

D. Employee benefits

i) ***Short-term employee benefits***

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 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.

ii) ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii) ***Defined benefit plans***

A defined benefits plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The employee benefit legislations such as The Payment of Gratuity Act, 1972, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948 are not applicable to the company.

HSA & ASSOCIATES
FRN: 013695S
Chartered Accountants

Enrecover Energy Recovery Solutions Pvt Ltd

E. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

F. Property, Plant and Equipment and Intangible assets

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Intangible assets purchased or acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

Cost of assets not ready for use at the balance sheet date are disclosed under intangible assets under development.

Depreciation and amortisation

Depreciation on Property, plant and equipment is calculated on a written down value method using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortised on a straight-line basis over the estimated useful economic life. The useful lives estimated by the management are given below:

(In years)

Asset	Useful life as per Companies Act, 2013	Useful life estimated by the management
Office equipment	5	5
Computer and network	3	3
Furniture	10	10

In respect of plant and equipment, furniture and fixtures and vehicles, the management basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

G. Revenue recognition

Ind AS 115, *Revenue from Contracts with customers*

Revenue from Operations

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discount to customers. Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of consideration is probable. Revenue from services is recognised in the period in which the services are rendered and the performance obligations are discharged. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed.

The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

Interest Income

Interest income is recognised on time proportion basis, determined by the amount outstanding and the rate applicable.

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Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited

Notes on accounts to the financial statements for the year ended March 31, 2022

H. Leases

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and

• makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of real estate properties are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

ASSOCIATES M.No. 0136955 Chartered Accountants

Enrecover Energy Recovery Solutions Pvt Ltd

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

J. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in business of providing waste energy recovery options for Industrial applications. The business is considered as the only reportable operating segment accordingly amounts appearing in these financial statements related only to the providing waste energy recovery options for Industrial applications. Further, the Company's entire revenue is generated from India and accordingly has no geographical information to be disclosed.

K. Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and bank balances.

L. Earnings per share

i) ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

a. the profit attributable to owners of the Company

b. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

ii) ***Diluted earnings per share***

Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account:

a. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

M. Rounding the amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

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Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

4 A- Property, Plant and equipment

Description	Furniture and Fixtures	Office equipments	Computers and peripherals	Total
Gross Block				
Balance as at 01st April 2020	-	1,352.99	410.72	1,763.70
Additions	185.81	106.85	123.96	416.62
Deletions	-	-	-	-
Balance as at 31st March 2021	185.81	1,459.84	534.68	2,180.32
Additions	-	19.92	291.21	311.12
Deletions	-	-	-	-
Balance as at 31st March 2021	**185.81**	**1,459.84**	**534.68**	**2,180.32**
Balance as at 31st March 2022	**185.81**	**1,479.75**	**825.89**	**2,491.44**
Accumulated Deprication				
Balance as at 01st April 2020	-	91.07	114.12	205.19
Charge for the year	7.74	264.29	131.72	403.75
Balance as at 31st March 2021	7.74	355.36	245.84	608.94
Charge for the year	19.04	15.70	198.78	233.51
Balance as at 31st March 2021	**7.74**	**355.36**	**245.84**	**608.94**
Balance as at 31st March 2022	**26.78**	**371.06**	**444.62**	**842.45**
Net Block				
Balance as at 31st March 2021	**178.07**	**1,104.48**	**288.84**	**1,571.38**
Balance as at 31st March 2022	**159.03**	**1,108.70**	**381.27**	**1,648.99**

B- Capital Work in Progress

Capital Work in Progress	Less than 6 Months
1- Project in Progress	6189.14
Total	6189.14

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Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
5 Trade receivables		
(i) Trade Receivables -- unsecured considered good	6,099.75	2,708.03
(ii) Trade Receivables – Credit Impaired	2,633.84	-
Total Trade Receivables	**8,733.59**	**2,708.03**
Less:		
Expected Loss Allowance	2,633.84	-
	6,099.75	**2,708.03**
Trade Receivable-Ageing Classification		
A- Undisputed Trade Receivables-Considered Good		
-Less than 6 months	629.19	74.19
-6 months - 1 year	5,470.55	2,633.84
-1 - 2 years	-	-
- 2 - 3 years	-	-
Total	**6,099.75**	**2,708.03**
B- Undisputed Trade Receivables-Credit Impaired		
-Less than 6 months	-	-
-6 months - 1 year	-	-
-1 - 2 years	-	-
- 2 - 3 years	2,633.84	-
Total	**2,633.84**	-
Total Trade Receivables	**8,733.59**	**2,708.03**
6 Cash and Cash Equivalents		
Cash on hand	29.15	19.53
Balance with bank		
- *Current accounts*	0.23	1,883.80
	29.38	**1,903.34**
7 Other Bank Balances		
Deposits with Banks (maturing within 3-12 months) *	636.02	2,380.00
	636.02	**2,380.00**

8 Other financial assets
Unsecured, considered good

	Long Term		Short Term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Security Deposits	561.60	561.60	-	-
Income Accrued from Fixed Deposits	-	-	29.42	24.10
	561.60	**561.60**	**29.42**	**24.10**

9 Other current assets
Unsecured, considered good

	March 31, 2022	March 31, 2021
Balances with government authorities	2,308.73	1,009.26
Advance to Suppliers	1,520.66	4,455.55
Other Advances	120.29	8.39
Prepaid Expenses	11.31	-
	3,960.99	**5,473.20**

HSA & ASSOCIATES F.No. 0136955 Chartered Accountants

Enrecover Energy Recovery Solutions Pvt Ltd *

(All amounts in thousands of Indian Rupees unless otherwise stated)

10 Share capital	As at 31 March 2022	As at 31 March 2021
a. Authorised share capital		
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	100.00	100.00
	100.00	100.00
Issued, Subscribed and Paid up share capital		
10,000 (Previous year: 10,000) equity Shares of ₹ 10 each	100.00	100.00
	100.00	**100.00**

b. *Reconciliation of the shares outstanding at the beginning and at the end of the reporting period*	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	10,000	100.00	10,000	100.00
Shares issued during the year	-	-	-	-
Shares forfeited during the year	-	-	-	-
At the end of the year	**10,000**	**100.00**	**10,000**	**100.00**

c. **Rights, preferences and restrictions attached to equity shares**

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time after subject to dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not show of hands) are in proportion to its share of the paid-up equity capital of the company.

On winding up of the company, the holder of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

d. *Shares held by holding / ultimate holding / subsidiary / associate of holding company at the end of the year*	31 March 2022		31 March 2021	
	Number	(% of total shares in the class)	Number	(% of total shares in the class)
Equity shares of ₹ 10 each fully paid held by				
SunEdison Infrastructure Limited - Holding Company	5,100	51%	5,100	51%

e. *Particulars of shareholders holding more than 5% shares of a class of shares*	31 March 2022		31 March 2021	
	Number	(% of total shares in the class)	Number	(% of total shares in the class)
Equity shares of ₹ 10 each fully paid held by				
SunEdison Infrastructure Limited	5,100	51.00%	5,100	51.00%
Mr. Nikhil Sunil Chougule	1,225	12.25%	1,225	12.25%
Mr. Abhijeet Tanaji Choudhari	1,225	12.25%	1,225	12.25%
Mr. Sagar Rajendra Shelot	1,225	12.25%	1,225	12.25%
Mr. Prajyotsingh Pradeepsingh Bisen	1,225	12.25%	1,225	12.25%
	10,000	**100%**	**10,000**	**100%**

f. **Shares held by Promoters at the end of the year**

Promoters Name	No of Shares	% of total Shares	% of changes during the year
SunEdison Infrastructure Limited	5,100	51.00%	-
Mr. Nikhil Sunil Chougule	1,225	12.25%	-
Mr. Abhijeet Tanaji Choudhari	1,225	12.25%	-
Mr. Sagar Rajendra Shelot	1,225	12.25%	-
Mr. Prajyotsingh Pradeepsingh Bisen	1,225	12.25%	-
	10,000	**100%**	-

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Enrecover Energy Recovery Solutions Pvt Ltd *

(All amounts in thousands of Indian Rupees unless otherwise stated)

g. ***Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion***

	31 March 2022		31 March 2021	
Optionally convertible preference shares of ₹ 10 each fully paid	Number	(% of total shares in the class)	Number	(% of total shares in the class)
Convertible in the year 2038-39	2,748	100%	2,748	100%
	2,748	**100%**	**2,748**	**100%**

Rights, preferences and restrictions attached to optionally convertible preference shares

Optionally convertible non-cumulative preference shares were issued at par in the month of September'19 pursuant to the share holders agreement.
Optionally convertible non - cumulative preference shares are convertible into equity share of par value Rs.10/- in the ratio of 1:1.
These preference shares are convertible at any time on or before the end of nineteenth year from the date of issuance at the option of the company. Preference shares shall be mandatorily converted to equity shares upon completion of a period of 19 (Nineteen) years from the date of issuance and allotment of such preference shares. The holders of these shares are entitled to a non-cumulative dividend equal to 21.5% of the total dividend declared and paid. Preference shares carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly involving their rights.

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(All amounts in thousands of Indian Rupees unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
11 Other equity		
Retained Earnings	(52,455.32)	(21,114.13)
Capital Reserve	500.00	500.00
Items of other comprehensive income	-	-
Equity component of optionally convertible preference shares	21.11	21.11
Total	(51,934.21)	(20,593.02)
A Retained Earnings		
Opening balance	(21,114.13)	(5,377.08)
Add: Profit/(Loss) for the year	(31,341.19)	(15,737.06)
Closing Balance	(52,455.32)	(21,114.13)
B Capital reserve		
Opening Balance	500.00	500.00
Additions during the year	-	-
Closing Balance	500.00	500.00
C Equity component of compound financial instrument		
Opening balance	21.11	21.11
Add: Shares issued during the year	-	-
Less: Shares forfeited during the year	-	-
Less: Liability component of optionally convertible preference shares	-	-
	21.11	21.11

Notes to Reserves

a) Capital Reserve - Represents excess of the identifiable assets and liabilities over consideration paid
Capital Reserve amounting to Rs.5,00,000/- (March 31, 2021:Rs.5,00,000/-) is not freely available for distribution.

b) Retained Earnings - are the profits earned by the company till date
This reserve represents undistributed accumulated earnings of the Group as on the balance sheet date

c) The compound financial instrument relate to the Optionally convertible preference shares ('OCPS') issued by the company.

	As at 31 March 2022	As at 31 March 2021
a. Authorised share capital		
3,000 (Previous year: 3,000 Shares) preference shares of ₹ 10 each	30.00	30.00
	30.00	30.00
Issued, Subscribed and Paid up share capital		
2,748 (Previous year: 2,748 Shares) optionally convertible preference Shares of ₹ 10 each	27.48	27.48
	27.48	27.48

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Optionally convertible Preference Shares				
At the commencement of the year	2,748.00	27.48	2,748.00	27.48
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
At the end of the year	2,748.00	27.48	2,748.00	27.48

c. **Rights, preferences and restrictions attached to preference shares**

Optionally convertible non-cumulative preference shares were issued at par in the month of September'19 pursuant to the share holders agreement. Optionally convertible non - cumulative preference shares are convertible into equity share of par value Rs.10/- in the ratio of 1:1. These preference shares are convertible at any time on or before the end of nineteenth year from the date of issuance at the option of the company. Preference shares shall be mandatorily converted to equity shares upon completion of a period of 19 (Nineteen) years from the date of issuance and allotment of such preference shares. The holders of these shares are entitled to a non-cumulative dividend equal to 21.5% of the total dividend declared and paid. Preference shares carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly involving their rights.

d. Particulars of shareholders holding more than 5% shares of a class of shares	31 March 2022		31 March 2021	
	Number	% of total Shares	Number	% of total Shares
Mr. Nikhil Sunil Chougule	687	25%	687	25%
Mr. Abhijeet Tanaji Choudhari	687	25%	687	25%
Mr. Sagar Rajendra Shelot	687	25%	687	25%
Mr. Prajyotsingh Pradeepsingh Bisen	687	25%	687	25%
	2,748	100%	2,748	100%

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Enrecover Energy Recovery Solutions Pvt Ltd

(All amounts in thousands of Indian Rupees unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
12 Deferred Tax Asset (Net)		
The balance comprise temporary difference attributable to		
- Depreciation	-41.59	3.35
-Gratuity	142.96	-
-Leave Encashment	122.83	-
-Provision for Doubtful Debts	662.88	-
Deferred Tax Asset	887.08	3.35
Net Deferred Tax Asset	-	-

The deferred tax asset arising out of temporary differences has not been recognised due to absence of reasonable certainity.

13 Non-Current Liabilities - Financial Liabilities - Borrowings		
Liability component of compound financial instrument	7.43	6.88
Total	7.43	6.88
14 Current Liabilities - Financial Liabilities		
Borrowings -Short Term (Unsecured)		
Loan from related parties *	50,536.60	30,847.29
Total	50,536.60	30,847.29

* During the year, working capital loans have been obtained from related parties. The loan carries interest at the rate which is equal to or more than the prevailing yield of Government Security rates closest to the tenure of the loan, as may be applicable from time to time. Interest shall accrue on a monthly basis and shall be payable as mutually agreed between the parties from time to time.

15 Trade payables		
Dues to micro, small and medium enterprises (refer note below)	-	-
Others	4,186.73	660.29
Total	4,186.73	660.29

Trade Payables -Ageing Classification - March'22

	Less than 6 months	6 months - 1 year	1-3 years	More than 3 years
Undisputed Trade Payables				
Micro, small and medium enterprises	-	-	-	-
Others	1,094.81	2,976.84	115.08	-
Total	1,094.81	2,976.84	115.08	-

Trade Payables -Ageing Classification - March'21

	Less than 6 months	6 months - 1 year	1-3 years	More than 3 years
Undisputed Trade Payables				
Micro, small and medium enterprises	-	-	-	-
Others	256.40	384.28	19.62	-
Total	256.40	384.28	19.62	-

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Enrecover Energy Recovery Solutions Pvt Ltd

(All amounts in thousands of Indian Rupees unless otherwise stated)

15a Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The management has identified no enterprises which have provided goods and services to the Company and which qualify under the definition of 'Micro and Small Enterprises' as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly the disclosure in respect of the amounts payable to such enterprises as at 31st March 2022 and 31st March 2021 have been made in the financial statements based on information available with the Company and relied upon by the auditors.

	March 31, 2022	March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) 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	-	-
Total	-	-

16 Provision

	Long Term		Short Term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for Gratuity	567.66	-	0.36	-
Provision for Leave Encashment	479.08	-	8.95	-
Provision for Warranty Exp.	-	-	118.40	-
	1,046.73	-	**127.71**	-

Gratuity	March 31, 2022	March 31, 2021
Present value of obligation as at beginning	-	-
Current service cost	72.26	-
Interest expense or cost	-	-
Remeasurements (or acturial gain/loss) arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	-
- experience variation	-	-
- others	-	-
Past service cost	495.76	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	-
Transfer In / (Out)	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at end	**568.02**	-

Leave Encashment	March 31, 2022	March 31, 2021
Leave obligations not expected to be settled within the next 12 months	479.08	-
Leave obligations expected to be settled within the next 12 months	8.95	-
	488.03	-

a **Provision for Gratuity**

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

b **Provision for Leave Encashment**

The entire amount of the provision of INR 4,88,028 (31 March 2021 – nil) is presented as current and non-current. Based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

c **Provision for Warranty**

Estimated warranty costs and additional service actions are accrued for at the time of sale. Warranty cost accruals include costs for basic and extended warranty coverage on parts sold. Estimates for warranty costs are made based primarily on historical warranty claim experience. The provisions are likely to be utilised for settlement of warranty claims ranging within 1 year.

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Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
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17 Other Financial Liabilities

Statutory Liabilities	102.86	-
Interest accrued but not due on borrowings	3,972.75	1,088.87
Advance from Customers	9,972.47	2,470.56
Other Payable	269.14	40.78
Total	**14,317.22**	**3,600.21**

18 Other Current Liabilities

Billing in Excess Revenue//Contract Liabilities	695.07	-
Other Security Deposit	72.00	-
	767.07	-

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Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

	For the Year ended 31 March 2022	For the year ended 31 March 2021
19 Revenue from Operations		
Sale of Services	4,391.60	171.30
	4,391.60	**171.30**
Reconciliation of revenue recognised with contract price:		
Contract price	16,404.52	171.30
Adjustments for:	-	-
Contract liabilities – Billing in excess of revenue	12,012.92	-
Revenue from continuing operations	**4,391.60**	**171.30**
20 Other income		
Interest on fixed deposits	84.26	24.10
Interest on Income tax refund	-	3.15
Foreign Exchange Gain	-	29.90
	84.26	**57.15**
21 Consumption of material, erection and engineering expenses		
Opening Stock	-	-
Purchase of Materials	2,396.10	-
Design, Civil, BOS & I & C	561.91	-
Freight, Transport, Loading, Unloading & Others	66.78	-
	3,024.79	-
Less:- Closing Stock	-	
	3,024.79	-
22 Employee benefits expense		
Salaries, wages and bonus	10,819.57	7,112.78
Contribution to Gratuity & Other Funds	1,056.04	-
	11,875.62	**7,112.78**
23 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	233.51	403.75
	233.51	**403.75**
24 Other expenses		
Research and Development	2,369.78	1,685.38
Rent	1,124.39	701.70
Tender Fees	-	150.00
Freight expenses	1.78	12.92
Rates and taxes	635.74	32.89
Provision for Doubtful Debts	2,633.84	-
Legal and professional charges	7,933.39	2,991.59
Electricity Charges	200.30	76.42
Security Charges	315.29	36.97
Repair and maintenance	29.80	608.87
Audit fee	40.00	25.00
Travelling and conveyance	1,939.16	905.45
Communication expenses	16.90	15.47
Foreign Exchange Loss	39.03	-
Printing and stationery	21.71	4.98
Miscellaneous expenses	200.01	183.65
Project Expenses	85.11	-
Website Development Charges	94.07	-
Warranty Expenses	118.40	-
	17,798.68	**7,431.29**
Note: Payment to auditors (exclusive of taxes)		
Audit fee	40.00	25.00
Tax audit fee	-	-
Certification and others	-	-
Total	**40.00**	**25.00**
25 Finance Costs		
Interest and finance charges on financial liabilities not at fair value through profit or loss	2,884.44	1,017.69
	2,884.44	**1,017.69**

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Enrecover Energy Recovery Solutions Pvt Ltd

(All amounts in thousands of Indian Rupees unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
D Balance due from related parties		
Loan Receivables / (Payables)		
SunEdison Infrastructure Limited	10,059.70	9,043.70
SILRES Energy Solutions Private Limited	40,476.90	21,643.59
Mr. Sagar Rajendra Shelot (Director)	-	145.00
Interest Payable on borrowings		
SunEdison Infrastructure Limited	1,315.19	683.20
SILRES Energy Solutions Private Limited	2,657.57	405.67
Advances outstanding		
Mr. Nikhil Sunil Chougule	64.11	50.00
Mr. Sagar Rajendra Shelot	9.32	-

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Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
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26 Related parties

A Name of the related party and nature of relationship are as follows

Holding Company	SunEdison Infrastructure Limited
Fellow Subsidiary	Ishaan Solar Power Private Limited
	SEI Solartech Private Limited
	SIL Power Storage Pvt Ltd
	SIL Rooftop Solar Power Private Limited
	Sherisha Solar LLP
	Megamic Electronics Private Limited
Entities in which shareholders exert significant influence	SEI Tejas Pvt Ltd
	SILRES Energy Solutions Pvt Ltd
Key managerial personnel and their relatives	Mr. Sagar Rajendra Shelot (Director)
	Mr. Nikhil Sunil Chougule (Director)
	Mr. Shailesh Rajagopalan (Director) (Resigned on 03/08/21)
	Mr. Shankar (Director) (Resigned on 03/08/21)
	Chandrasekaran Viswanathan (Director) (Appointed on 03/08/21)
	Venkatesan Krishnan (Director) (Appointed on 03/08/21)

B Transactions with key management personnel

i. Related Party Transction with Key management personnel	Year ended 31 March 2022	Year ended 31 March 2021
Managerial Remuneration		
Mr. Nikhil Sunil Chougule	1,416.26	1,163.42
Mr. Sagar Rajendra Shelot	1,416.26	1,163.42
Reimbursement of expenses		
Mr. Nikhil Sunil Chougule	315.89	143.53
Mr. Sagar Rajendra Shelot	63.52	46.45
Repayment of loan		
Mr. Sagar Rajendra Shelot (Director)	145.00	-
SILRES Energy Solutions Private Limited	107.60	-
Advances received		
Mr. Sagar Rajendra Shelot	269.01	-
Advances Repaid		
Mr. Sagar Rajendra Shelot	269.01	-

C Related party transactions other than those with key management personnel

	Year ended 31 March 2022	Year ended 31 March 2021
Transactions during the year		
Purchase of Goods		
Megamic Electronics Private Limited	12.00	-
Loan received		
SunEdison Infrastructure Limited	1,016.00	1,560.00
SILRES Energy Solutions Private Limited	18,940.90	21,643.59
Interest on loan		
SunEdison Infrastructure Limited	631.99	561.09
SILRES Energy Solutions Private Limited	2,251.90	438.56

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Enrecover Energy Recovery Solutions Pvt Ltd *

Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

27 Income taxes

A Amounts recognised in profit or loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
a) Current tax	-	-
b) Changes in estimates related to prior years	-	-
c) Deferred tax:		
Attributable to:		
Origination and reversal of temporary difference	-	-
Income tax expense reported in the statement of profit or loss (a+b+c)	-	-

B Reconciliation of effective tax rate

	March 31, 2022		March 31, 2021	
Profit / (Loss) before tax		(31,341.19)		(15,737.06)
Tax using the Company's domestic tax rate	25.17%	-	25.17%	-
Effect of:				
Tax exempt income	0.00%	-	0.00%	-
Non-deductible expenses	0.00%	-	0.00%	-
Tax expense relating to prior years	0.00%	-	0.00%	-
Deferred Tax	0.00%	-	0.00%	-
Others	0.00%	-	0.00%	-
Effective tax rate	25.17%	-	25.17%	-

C Recognised deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Property, plant and equipment	-	-	-	-	-	-
Investments at FVTPL	-	-	-	-	-	-
Provisions - employee benefits	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-
Deferred tax assets (liabilities)	-	-	-	-	-	-
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-	-
Net deferred tax assets (liabilities)	-	-	-	-	-	-

D Movement in temporary differences

	Balance as at March 31, 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Balance as at March 31, 2022
Property, plant and equipment	-	-	-	-	-	-	-
Investments at FVTPL	-	-	-	-	-	-	-
Provisions - employee benefits	-	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

E Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows.

	Balance as at March 31, 2022
FY 2027-28	5,321.16
FY 2028-29	15,660.99
FY 2029-30	27,814.85
	48,797.01

(All amounts in thousands of Indian Rupees unless otherwise stated)

28 Financial instruments - Fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets not measured at fair value						
Trade receivables	-	-	6,099.75	-	-	2,708.03
Cash and cash equivalents	-	-	29.38	-	-	1,903.34
Bank Balances other than cash and cash equivalents	-	-	636.02	-	-	2,380.00
Other financial assets	-	-	591.02	-	-	585.70
Total financial assets	-	-	**7,356.16**	-	-	**7,577.07**
Financial liabilities not measured at fair value						
Long term borrowings	-	-	7.43	-	-	6.88
Short term borrowings	-	-	50,536.60	-	-	30,847.29
Trade payables	-	-	4,186.73	-	-	660.29
Other financial liabilities	-	-	14,317.22	-	-	3,600.21
Total financial liabilities	-	-	**69,047.98**	-	-	**35,114.67**

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities since their carrying amounts are reasonable approximates of fair values.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table shows the levels in the fair value hierarchy as at each period:

	March 31, 2022			March 31, 2021		
Assets	Level 1	Level II	Level III	Level 1	Level II	Level III
	-	-	-	-	-	-

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SHA & ASSOCIATES * Chartered Accountants * F.No. 013695S

Enrecover Energy Recovery Solutions Pvt Ltd *

(All amounts in thousands of Indian Rupees unless otherwise stated)

28 Financial instruments - Fair values and risk management (continued)

B Financial risk management

The Company business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has the overall responsibility for establishing and governing the Company risk management framework. The management is responsible for developing and monitoring the Company risk management policies. The Company risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of directors of the Company.

i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Company's trade receivables and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure which is as follows:

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	6,099.75	2,708.03
Cash and cash equivalents	29.38	1,903.34
Bank Balances other than cash and cash equivalents	636.02	2,380.00
Other financial assets	591.02	585.70
	7,356.16	7,577.07

Trade receivables and unbilled revenue

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

ii. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The break-up of financial assets is as below.

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	6,099.75	2,708.03
Cash and cash equivalents	29.38	1,903.34
Bank Balances other than cash and cash equivalents	636.02	2,380.00
Other financial assets	591.02	585.70
	7,356.16	7,577.07

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(All amounts in thousands of Indian Rupees unless otherwise stated)

28 Financial instruments - Fair values and risk management (continued)

B Financial risk management

The Company business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has the overall responsibility for establishing and governing the Company risk management framework. The management is responsible for developing and monitoring the Company risk management policies. The Company risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of directors of the Company.

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HSA & ASSOCIATES FRN 013695S Chartered accountants

Enrecover Energy Recovery Solutions Pvt Ltd

Enrecover Energy Recovery Solution Private Limited
Notes to standalone financial statements for the year ended 31st March 2022
(All amounts in thousands of Indian Rupees unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
30	**Earnings per Share**		
	Profit / (Loss) after tax	(31,341)	(15,737)
	Nominal value of equity shares (INR)	10	10
	Weighted average number of equity shares	10,000	10,000
	Basic Earnings per share	(3.13)	(1.57)
	Weighted average number of potential equity shares	12,748	11,374
	Diluted Earnings per share	(3.13)	(1.57)

31 Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these financial statements. The Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.

for **HSA & Associates**
Chartered Accountants

HSA & ASSOCIATES F.No. 013695S Chartered Accountants

Aravind. S
Partner
Membership No.: 228252

Place: Chennai
Date: 27-05-2022

On behalf of board of Directors of Enrecover Energy Recovery Solution Private Limited

K. Venkatesan

Chandrasekaran Viswanathan
Director
DIN-07205685

Venkatesan Krishnan
Director
DIN: 08245718

Enrecover Energy Recovery Solutions Pvt Ltd

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