

# Seth & Seth

Chartered Accountants

A.C. Seth B.Com (Hons) F.C.A.

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## Independent Auditor's Report

To the Members of  
Alpex Solar Private Limited

### Report on the Audit of standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of **Alpex Solar Private Limited** ("the Company"), which comprise standalone Balance Sheet as at 31<sup>st</sup> March 2021; the standalone Statement of Profit and Loss; and the standalone Cash Flow Statement for the year then ended; and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements give the information required by Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its profit, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 opinion.

#### Emphasis of Matter

Without qualifying our opinion in respect of the following matters, we draw attention to:

- 1) Note No.29.4, which describes that the company has to receive a sum of Rs.2.53 crore from M/s Sukam Power Systems Private Limited (Debtor). However, the recovery process from the debtor is subject to adjudication of Hon'ble NCLT as the matter is pending u/s 7 of the Insolvency & Bankruptcy Code, 2016. In this respect, the company has also paid a sum of Rs.35.90 lacs under protest to M/s IDBI Bank. The company is confident of recovering the amount from the aforesaid debtor and consequential receipt from IDBI Bank. Accordingly, no provision has been created in respect of the same by the Company.
- 2) Note No.29.10, which describes that GST Receivable / Payable / RCM on Freight & other issues on GST are subject to GST Audit and GST Annual Return and entries arising out of the same, if any.



- 3) Note No.29.11, which describes that the quantitative details & valuation of inventory and work in progress has been taken as certified & physically verified by the Management.
- 4) Note No.29.13, which describes that the company is unable to obtain confirmation of FDR as Margin Money with IndusInd Bank & SBI Bank amounting to Rs.9.63 lacs & Rs.30.78 lacs respectively.

**Information other than the Standalone Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. Accordingly, we have nothing to report, as of now, in this regard.

**Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 standalone Balance Sheet, the standalone Statement of Profit and Loss and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate Report in '**Annexure B**'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position – Refer Note No.29.4 "Pending Litigations"
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company.

**For Seth & Seth**  
Chartered Accountants  
Firm's Registration No. 014842N

*Sumit Seth*  
**Sumit Seth**  
Partner  
Membership No. 093161  
UDIN: 21093161AAAADC47



Place: New Delhi  
Date: 08/11/2021

## Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **Alpex Solar Private Limited**, on the standalone financial statements for the year ended 31<sup>st</sup> March 2021. We report that:

- (i)
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant & equipment).
  - b) As per the information and explanation given to us, the company verifies its fixed assets (property, plant & equipment) once in a block of every three years which is, in our opinion, reasonable having regard to the size of the Company and nature of the assets. No material discrepancies were observed on such verification.
  - c) The original title deeds of immovable properties have not been produced before us for verification. Therefore, we are unable to report under paragraph 3(i)(c) of the order, regarding the title deed of the immovable property(ies) held by the company. However, as per the information & explanation given to us, the title deeds of immovable properties are held in the name of the company.
- (ii)
- a) According to the information & explanation as provided to us, the inventory was physically verified during the year by the management at regular intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) The discrepancies noticed on physical verification as compared to book of accounts were not material in relation to operation of the company and the same have been properly dealt with in the books of account.
- (iii)
- a) According to the information and explanation given to us and on the basis of our examination of books of account, we are of the opinion that the loan or advances granted by the company to the related parties covered in the register maintained under section 189 of the Companies Act, 2013. Further, the terms and conditions of the loan or advances granted are not prejudicial to the interest of the company.
  - b) According to the information and explanation given to us and on the basis of our examination of books of account, the loan or advances granted by the company to the related parties are in the nature of business advances, no schedule of repayment of principal and payment of interest has been stipulated.
  - c) According to the information and explanation given to us and on the basis of our examination of books of account, there is no overdue amount during the financial year as the amount advanced is in the nature of business advances.
- (iv) According to the information and explanation given to us and on the basis of our





examination of books of account, the company has not made any loans to director under section 185. The company has complied with the requirements under section 186 of the Companies Act, 2013 in respect of investments made by the company.

- (v) The Company has not accepted any deposit from the public. Consequently, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of Companies Act and the rules framed there under are not applicable.
- (vi) As per Section 148(1) of the Act, the Company is not required to maintain any cost records. Thus, Paragraph 3(vi) of the order is not applicable.
- (vii)
- a) According to records of the company, undisputed Statutory dues including Provident Fund, Employees' state insurance, Income tax, Goods and Services Tax, Cess and any other statutory dues, to the extent applicable, have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March, 2021 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 Services Tax and cess as applicable to it, which have not been deposited with the appropriate authorities on account of dispute.
- (viii) According to the information & explanation given to us and on the basis of our examination of books of account, the company has not defaulted in the repayment of loans or borrowing to a financial institution, bank or Government.
- According to the information and explanation given to us and on the basis of our examination of books of account, the company has not issued any debentures as at the balance sheet date.
- (ix) According to the information and explanation given to us and on the basis of our examination of books of account, money raised by way of term loans were applied for the purposes for which those are raised. Further, the Company has not raised any money by way of initial public offer or further public offer.
- (x) Based upon the audit procedures carried out in accordance with the generally accepted audit practices in India, and as per the information and explanations given to us, we have neither come across any instance of material fraud on or by the company or noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) Section 197 of the Companies Act, 2013 is not applicable to Private limited company. Thus, paragraph 3 (xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company; accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) All transactions with related parties are in compliance with section 188 of Companies Act, 2013 and the details of related party transactions have been



disclosed in the Standalone Financial Statements as required by the applicable accounting standards. Further, section 177 of the Companies Act, 2013 is not applicable to private limited company.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) The Company has not entered into any non-cash transactions with directors.
- (xvi) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of Reserve Bank India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

**For Seth & Seth**

Chartered Accountants

Firm's Registration No. 014842N

*Sumit Seth*  
**Sumit Seth**

Partner

Membership No. 093161

UDIN: 21093161AAAADC471



Place: New Delhi

Date: 08/11/2021



**Annexure- B to the Independent Auditors' Report**

(Refer Paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" of our report of the even date)

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

We have audited the internal financial controls over financial reporting (IFCoFR) of Alpex Solar Private Limited ('the Company') as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls over Financial Reporting (“IFCoFR”)**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanation given to us and based on our audit, it is observed that the company had taken steps during the financial year to strengthen the operating effectiveness of Company’s IFCoFR. However, the following material weaknesses have been identified in the operating effectiveness of Company’s IFCoFR as at March 31, 2021:

- a) The Company needs to strengthen the adequate design of information technology (IT) general and application controls in order to get the complete and accurate information consistent with financial reporting objectives.
- b) The Company needs to strengthen the adequate internal control system for physical verification of property, plant & equipment. Further, the internal control system needs updation with regard to item-wise identification and situation of fixed assets in order to mitigate the risk of any potential material misstatement on stated value of fixed assets and depreciation.
- c) The Company needs to strengthen the adequate internal control system for proper maintenance of records that accurately and fairly reflect the movement and





consumption of the Inventory in order to mitigate the risk of any potential material misstatement on stated value of Inventory.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual standalone financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the Institute of Chartered Accountants of India', and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at March 31, 2021.

We have considered the material weaknesses, identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2021 and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

**For Seth & Seth**

Chartered Accountants

Firm's Registration No. 014842N

Sumit Seth

Partner

Membership No: 093161

UDIN: 21093161AAAADC47

Place: New Delhi

Date: 08/11/2021

