Restricted Group
Special Purpose Combined and Carve Out Balance Sheet as at 31 March 2026
(All amounts in Rs. Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
Assets			
Non current assets			
Property, plant and equipment	4	13,505.41	15,407.32
Right-of-use assets	4	245.05	233.69
Capital work-in-progress	5	56.75	77.30
Intangible assets	6	0.63	1.20
Financial assets			
Investments	7	783.31	783.31
Loans	16	2,930.11	2,673.60
Other financial assets	8	2,243.90	2,017.03
Deferred tax assets (net)	8A	2,318.32	1,872.41
Non-current tax assets (net)	9	85.13	10.75
Other non-current assets	10	177.23	190.16
Total non-current assets		**22,345.84**	**23,266.77**
Current assets			
Inventories	11	1,152.39	1,137.39
Financial assets			
Investments	12	183.44	8.32
Trade receivables	13	797.06	855.27
Cash and cash equivalents	14	254.36	688.24
Bank balances other than cash and cash equivalents	15	198.72	-
Loans	16	8.00	8.00
Other financial assets	17	201.66	233.34
Current tax assets (net)	18	-	47.06
Other current assets	19	211.85	261.34
Total current assets		**3,007.48**	**3,238.96**
Total assets		**25,353.32**	**26,505.73**
Equity and liabilities			
Equity			
Net parent investment	20	(3,785.82)	(1,971.21)
		(3,785.82)	**(1,971.21)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	23,421.44	23,120.87
Lease liabilities	22	242.54	215.39
Provisions	23	31.29	26.18
Deferred tax liabilities (net)	8B	26.32	200.73
Other non-current liabilities	24	176.80	213.04
Total non-current liabilities		**23,898.39**	**23,776.21**
Current liabilities			
Financial liabilities			
Borrowings	25	3,955.15	3,256.17
Lease liabilities	22	1.10	1.08
Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and		48.34	9.34
Total outstanding dues of creditors other than micro enterprises and small enterprises		60.91	15.33
	26		
Other financial liabilities	27	1,052.40	1,352.00
Other current liabilities	28	77.54	52.46
Provisions	29	17.87	14.35
Current tax liabilities (net)	30	27.44	-
Total current liabilities		**5,240.75**	**4,700.73**
Total equity and liabilities		**25,353.32**	**26,505.73**
Material accounting policies information	2		

The accompanying notes are an integral part of the special purpose combined and carve out financial statements

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Digitally signed by Tarun Gupta
Date: 2026.07.29 20:43:27 +05'30'

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 29 July 2026

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 017648N

GAGAN DEEP SINGHAL
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Date: 2026.07.29 18:37:43 +05'30'

Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 29 July 2026

G.D. SINGHAL & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★
FRN : 017648N
FEROZEPUR CITY

For and on behalf of the Restricted Group

JASBIR SINGH
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Date: 2026.07.29 17:45:59 +05'30'

Jasbir Singh
Managing Director
DIN No- 01668231

Place: New Delhi
Date: 29 July 2026

SUKHBIR SINGH
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Sukhbir Singh
Director
DIN No - 01785240

Place: New Delhi
Date: 29 July 2026

DUSHYANT KUMAR
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Dushyant Kumar
Chief Financial Officer

Place: New Delhi
Date: 29 July 2026

VISHAL GARG
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Vishal Garg
Restricted Group Secretary
Membership No. F6867

Place: New Delhi
Date: 29 July 2026

SAEL Limited

Restricted Group

Special Purpose Combined and Carve out Statement of Profit and Loss for the year ended 31 March 2026

(All amounts in Rs. Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue			
Revenue from operations	30	7,280.76	6,122.33
Other income	32	391.50	286.44
Total income		**7,672.26**	**6,408.77**
Expenses			
Cost of materials consumed	33	2,406.37	1,857.39
Employee benefits expense	34	379.61	305.34
Finance costs	35	3,578.43	2,321.09
Depreciation and amortisation expense	36	2,229.61	2,021.57
Other expenses	37	483.26	488.79
Total expense		**9,077.28**	**6,994.18**
Loss before tax and exceptional items		**(1,405.02)**	**(585.41)**
Exceptional items	38	(105.00)	573.00
Loss before tax		**(1,300.02)**	**(1,158.41)**
Tax expense			
Current tax		28.51	-
Earlier years taxes		20.36	20.39
Deferred tax expense/(credit)	8B	(346.99)	(468.86)
Total tax expense		**(298.12)**	**(448.47)**
Loss for the year		**(1,001.90)**	**(709.94)**
Other comprehensive income			
Items that will not be reclassified to profit and loss and their related income tax effects:			
Remeasurements of defined benefit plans		2.70	12.68
Income tax relating to items that will not be reclassified to profit or loss		(0.68)	(3.42)
Items that are or will be reclassified to profit or loss and their related income tax effects			
Effective portion of gains and losses on hedging instrument in a cash flow hedge		2,188.31	684.31
Effective portion of gains and losses on hedging instrument in a cash flow hedge reclassified to profit and loss		(1,743.72)	(473.02)
Cost of hedging - changes in fair value		(1,885.37)	(687.00)
Cost of hedging - reclassified to profit or loss		352.05	257.36
Income tax relating to items that will reclassified to profit or loss		274.01	54.63
Other comprehensive income for the year, net of tax		**(812.70)**	**(154.46)**
Total comprehensive (loss)		**(1,814.60)**	**(864.40)**
Material accounting policies information	2		

The accompanying notes are an integral part of the special purpose combined and carve out financial statements

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
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Date: 2026.07.29 20:44:43 +05'30'

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 29 July 2026

For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 017648N

GAGAN DEEP SINGHAL
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Date: 2026.07.29 18:38:22 +05'30'

Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 29 July 2026

For and on behalf of the Restricted Group

JASBIR SINGH
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Date: 2026.07.29 17:46:19 +05'30'

Jasbir Singh
Managing Director
DIN No- 01668231

Place: New Delhi
Date: 29 July 2026

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Sukhbir Singh
Director
DIN No - 01785240

Place: New Delhi
Date: 29 July 2026

DUSHYANT KUMAR
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Date: 2026.07.29 18:57:23 +05'30'

Dushyant Kumar
Chief Financial Officer

Place: New Delhi
Date: 29 July 2026

VISHAL GARG
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Date: 2026.07.29 17:40:47 +05'30'

Vishal Garg
Restricted group Secretary
Membership No. F6867

Place: New Delhi
Date: 29 July 2026

Restricted Group
Special Purpose Combined and Carve Out Statement of Cash Flows for the year ended 31 March 2026
(All amounts in Rs. Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
A CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(1,300.02)	(1,158.41)
Adjustments for:			
Depreciation and amortisation expense	36	2,229.61	2,021.57
Finance costs	35	3,578.43	2,321.09
Interest income on bank deposits	32	(14.15)	(34.12)
Bad debts	37	-	5.18
Advance written off	37	-	17.74
Exceptional items	38	60.29	573.00
Income on mutual fund	32	(0.13)	(0.23)
Amortisation of deferred grant	32	(39.77)	(43.83)
Interest income loans to Unristricted group	32	(256.67)	(177.44)
Gain on modification/cancellation of lease liabilities	32	-	(3.31)
(Gain)/Loss on exchange fluctuation (net)	32	(14.06)	76.83
(Gain)/Loss on change in fair value of derivatives (net)	37	(7.90)	2.15
Loss on sale of property, plant and equipment (net)	32	-	31.82
Liabilities no longer required written back	32	(7.45)	-
Insurance claim received		(22.37)	-
Operating profit before working capital changes		4,205.83	3,632.03
Movement in working capital			
Decrease in trade receivables	13	58.22	45.28
(Increase)/ Decrease in inventories	11	(52.93)	637.11
Decrease/(Increase) in other current and non-current financial assets	8,17	27.48	(77.40)
Decrease in other current and non-current assets	10,19	53.05	12.02
Increase/ (Decrease) in trade payables	26	92.03	(457.88)
Increase in other current financial liabilities	27	(23.34)	377.41
Increase in provisions	23,29	11.34	11.34
Increase in other current and non-current liabilities	24,28	28.61	38.09
Cash flows generated from operating activities post working capital changes		4,400.26	4,218.01
Income tax refund/(paid) (net)	8A,9,18,8B,30	(48.75)	(32.32)
Net cash generated from operating activities (A)		4,351.49	4,185.68
B CASH FLOWS FROM INVESTING ACTIVITIES			
Payment made for property, plant and equipment#	4,5,6,10,27	(557.02)	(1,615.54)
Sale of property, plant and equipment		-	71.50
Interest income on bank deposits	32	14.15	34.12
Purchase of mutual fund	12,32	(167.10)	-
Investment in unrestricted group entities		-	(647.68)
Loans to unrestricted group entities	16,32,7	0.19	(6,949.34)
Fixed deposits (made)/matured during the year	15,8,17	(82.42)	747.93
Net cash used in investing activities (B)		(792.20)	(8,359.02)
C CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of non current borrowings	21	(1,742.89)	(16,562.53)
Proceeds from non current borrowings (net)	21	-	25,538.03
(Repayment)/ proceeds of current borrowings (net)	25	-	790.80
Proceeds of current borrowings (net)	25	133.12	-
Finance costs paid	35	(2,367.31)	(5,147.54)
Principal Payment of lease liabilities	22,4	(16.10)	(16.71)
Net cash (used in) / from financing activities (C)		(3,993.18)	4,602.06
Increase/(decrease) in cash and cash equivalents (A+B+C)		(433.89)	428.72
Cash and cash equivalents at the beginning of the year		688.24	259.53
Cash and cash equivalents at the end of the year	14	254.36	688.24
Cash and cash equivalents			
Cash on hand	14	0.47	1.50
Balances with bank - current accounts	14	253.89	686.74
		254.36	688.24

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

Material accounting policies information 2
The accompanying notes are an integral part of the special purpose combined and carve out financial statements

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta Digitally signed by Tarun Gupta Date: 2026.07.29 20:45:18 +05'30'

Tarun Gupta
Partner
Membership No. 504492

Place: New Delhi
Date: 29 July 2026

For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 017648N

GAGAN DEEP SINGHAL Digitally signed by GAGAN DEEP SINGHAL Date: 2026.07.29 18:38:42 +05'30'

Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 29 July 2026

For and on behalf of the Restricted Group

JASBIR SINGH Digitally signed by JASBIR SINGH Date: 2026.07.29 17:46:37 +05'30'

Jasbir Singh
Managing Director
DIN No- 01668231

Place: New Delhi
Date: 29 July 2026

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Sukhbir Singh
Director
DIN No - 01785240

Place: New Delhi
Date: 29 July 2026

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Dushyant Kumar
Chief Financial Officer

Place: New Delhi
Date: 29 July 2026

VISHAL GARG Digitally signed by VISHAL GARG Date: 2026.07.29 17:42:35 +05'30'

Vishal Garg
Restricted group Secretary
Membership No. F6867

Place: New Delhi
Date: 29 July 2026

1 Corporate information

SAEL Limited ('the Company' or 'the Intermediary Holding Company') with its subsidaires considred below listed have been referred to as 'the Restricted Group'. The Company is a public limited restricted group domiciled in India with its registered office situated at Faridkot Road, Guruharsahai, Distt. Ferozepur, Punjab. The Company is primarily involved in renewable power generation and other ancillary activities.

Below subsidiary companies and certain units of SAEL Limited, engaged in the renewable power generation business and financial information of Head office of SAEL Limited, pertaining to renewable power business, collectively called as "Restricted Group" have issued USD Senior Secured Notes which are listed on the Global Securities Market - India International Exchange (the "India INX").

Name of the restricted group	Capacity (In MW) 31 March 2026	Capacity (In MW) 31 March 2025	Proportion of ownership interests held by SAEL Limited as at 31 March 2026	Proportion of ownership interests held by SAEL Limited as at 31 March 2025
SAEL Limited#	219.50	219.50	NA	NA
Universal Biomass Energy Private Limited (UBEPL)@	15.00	15.00	100.00%	100.00%
SAEL Kaithal Renewable Energy Private Limited@	14.50	14.50	100.00%	100.00%
Sunfree Paschim Renewable Energy Private Limited@	20.00	20.00	100.00%	100.00%
Jasrasar Green Power Energy Private Limited@	14.90	14.90	100.00%	100.00%
SAEL Solar Solution Private Limited@	50.00	50.00	100.00%	100.00%

Following renewable energy units of SAEL Limited form part of Restricted Group as at 31 March 2026 and 31 March 2025

- Solar units commisioned (Unit 7, 8, 9, 14 and 16) having a total capacity of 173 MW
- Biomass units commisioned (Unit 10,11 and 15) having a total capacity of 46 MW
- Solar units commisioned (Unit 7, 8, 9, 14 and 16) having a total capacity of 173 MW
- Biomass units commisioned (Unit 10 and 11) having a total capacity of 36 MW
- Biomass units commisioned (Unit 15) having a total capacity of 10 MW (commissioned on 21 June 2024)

 # Including account balance of SAEL Limited head office ("HO") related to restricted group

@ Wholly owned subsidiaries of SAEL Limited

2 Material accounting policies information

2.01 Basis of preparation

The Special Purpose Combined and Carve Out financial statements of the Restricted Group comprise of the Special Purpose Combined and Carve Out Balance Sheet as at 31 March 2026, the Special Purpose Combined and Carve Out Statement of Profit and Loss (including Other Comprehensive Income) and Special Purpose Combined and Carve Out Statement of Cash Flow, for the year ended 31 March 2026, and notes to the Special Purpose Combined and Carve Out Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'Special Purpose Combined and Carve Out Financial Statements"). The Special Purpose Combined and Carve Out Financial Statements have been prepared by management in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 as amended from time to time (except Ind AS 33 , Earning per share), read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and, the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note"), solely for submission to trustee and bond holders in accordance with the paragraph 4 of the offer document dated 31 July 2024 and submission to India International Exchange ('India INX') in accordance with rules as prescribed under paragraph 4 of Chapter 6 of the rules & regulations handbook of India INX, in connection with the funds raised through issuance of USD Senior Secured Notes by the Restricted Group and corresponding listing of USD Secured Notes on the Global Securities Market - India INX.

Management of the Restricted Group has prepared these Special Purpose Combined and Carve Out Financial Statements to depict the historical cost of the Restricted Group except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer material accounting policy information regarding financial instruments)

The inclusion of entities in the Restricted Group in these Special Purpose Combined and Carve Out Financial Statement are not an indication of exercise of control as defined in Ind AS 110 "Consolidated Financial Statement", by SAEL Limited over the entity forming part of Restricted Group.

The Special Purpose Combined and Carve Out Financial Statements are not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if it had operated as a separate stand-alone Group of entities during the year presented nor of the Restricted Group's future performance. The items in the Special Purpose Combined and Carve Out Financial Statements have been classified considering the principles under Ind AS 1, Presentation of Financial Statements and Division II of Schedule III of Companies Act 2013.

For the purpose of these Special Purpose Combined and Carve Out Financial Statement, events occurring after the balance sheet date are updated only till adoption of financial statement of respective entities forming part of Restricted Group by its Board of Directors. Certain disclosures like Earnings Per Share have not been presented in these Special Purpose Combined and Carve Out financial statement, as the restricted group did not meet the applicability criteria as specified under Ind AS 33 – Earning Per Share.

The accounting policies followed in preparation of the Special Purpose Combined and carve out Financial Statements are consistent with those followed in the most recent financial statements of the entities forming part of Restricted Group.

The Special Purpose Combined and Carve Out Financial Statements of the Restricted Group are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimals in million as per the requirement of Schedule III to the Act, unless otherwise stated. These Special Purpose Combined and Carve-out Financial Statements presented may not be representative of the position which may prevail after the transaction.

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★
G.D. SINGHAL & ASSOCIATES ★ FRN : 017648N FEROZEPUR CITY ★ CHARTERED ACCOUNTANTS ★
SAEL Limited

2.02 Basis of combination

The Special Purpose Combined and Carve Out Financial Statements have been prepared by combining like items of assets, liabilities, equity, income, expenses and cash flows of the entities and units forming part of Restricted Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities and units forming part of Restricted Group have been eliminated and profits or losses arising from intragroup transactions have been eliminated in full. All the inter-group transactions are undertaken on arms' lengths basis. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business.

Net parent investment disclosed in the Special Purpose Combined and Carve Out Financial Statements is not the legal capital and other equity of the Restricted Group and is the aggregation of the share capital and other equity of the individual combining entities.

Income taxes are arrived at by aggregation of the tax expenses actually incurred by the combining businesses, after considering the tax effects of any adjustments which is in accordance with the Guidance Note.

2.03 Use of estimates

The preparation of Special Purpose Combined and Carve Out Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.04 Revenue

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Restricted Group expects to be entitled in exchange for those goods or services.

A) Sale of electricity

Revenue from supply of power is recognised net of consumption when the power is supplied as it best depicts the value of the customer and complete satisfaction of performance obligation.
Revenue from sale of power is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the energy kilowatts actually supplied to the grid of customers multiplied by the rate per kilo-watt hour agreed to in the respective power purchase agreement (PPAs). The energy kilowatts supplied by the entities forming part of Restricted Group are validated by the customer prior to billing and recognition of revenue. In determining the transaction price for sale of power, the entities forming part of Restricted Group considers the effect of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required. The normal credit term is 30 to 60 days upon delivery. Hence, the entity has elected to use the practical expedient for non existence of a significant financing component. Further there are no variable consideration in the contract.

B) Interest income

Interest income is recorded using the effective interest rate (EIR) as and when due on time and proportion basis. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Restricted Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the Special Purpose Combined and Carve Out Statement of Profit and Loss.

2.05 Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.06 Recognition of interest expense

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payment or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

2.07 Property, plant and equipment

Property, plant and equipments are carried at cost less accumulated depreciation. The cost of items of the property, plant and equipment comprises its purchase price net of any trade discount and rebate, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment upto the date the asset is ready for its intended use.

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Restricted Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Special Purpose Combined and Carve Out Financial Statements as incurred.

Based on technical assessment made by technical expert and management estimate, the entities in the Restricted Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if required.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

G.D. SINGHAL & ASSOCIATES * FRN : 017648N FEROZEPUR CITY * CHARTERED ACCOUNTANTS *

Limited

Depreciation and amortisation are calculated on a straight line basis/written down value method over the estimated useful lives of the assets as follows:

Estimated useful life

Asset category	Estimated useful life (in years)
Buildings	10-30
Plant and equipments	15-25
Furniture and fittings	10
Office equipments	05-10
Computer equipments	03
Vehicles	08-10

Provision for asset retirement obligation
The Group records a liability for the future costs of decommissioning its facilities and related infrastructure. The estimated present value of the obligation is recognized as part of the cost of the related asset and a corresponding liability. The asset is depreciated over its useful life, and the liability is accreted to reflect the passage of time.

Management reveiews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Management reveiews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'

De-recognition
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Special Purpose Combined and Carve out Financial Statements when the asset is derecognised

2.07A Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.
The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired

Asset category	Estimated useful life (in years)
Software	3

2.08 Leases
The lease asset classes primarily consist of leases for land . The Restricted Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Restricted Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Restricted Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Restricted Group has the right to direct the use of the asset. At the date of commencement of the lease, the Restricted Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Restricted Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses. Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Restricted Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing activity in statement of cash flows.

2.09 Impairment of non-financial assets
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The date used for impairment testing procedures are directly linked to the Cash-Generating Unit's (CGU's) latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses are charged in the Statement of Profit and Loss. Further, impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior period.

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2.10 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity

Government grants are recognised when there is a reasonable assurance that the Restricted Group will comply with the relevant conditions and the grant will be received. These are recognised in the Special Purpose Combined and Carve Out Financial Statements, either on a systematic basis when the Restricted Group recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset

2.11 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Restricted Group becomes a party to the contractual provisions of the financial instrument, and, except for trade receivables which do not contain a significant financing component, these are measured initially at:

a) fair value, in case of financial instruments subsequently carried at fair value through Profit and Loss (FVTPL);

b) fair value adjusted for transaction costs, in case of all other financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred

A financial liability is derecognised when the underlying obligation specified in the contract is discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Different criteria to determine impairment are applied for each category of financial assets, which are described below

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets, derivatives and equity instruments at FVTPL

(1) Financial assets at amortised cost

Classification and subsequent measurement of financial assets

Financial Assets

The financial assets is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Profit and Loss. When the financial asset is derecognised or impaired, the gain or loss is recognised in the Special Purpose Combined and Carve Out Statement of Profit and Loss

De- Recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a Restricted Group of similar financial assets) are derecognised from the balance sheet when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Restricted Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition

Impairment of financial assets

In accordance with Ind-AS 109, the Restricted Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost

ECL is the difference between all contractual cash flows that are due to the entity forming part of Restricted Group in accordance with the contract and all the cash flows that the entity forming part of Restricted Group expects to receive. When estimating the cash flows, the Restricted Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

Trade receivables

The Restricted Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the entity forming part of Restricted Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided otherwise provides for 12 month expected credit losses.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of contract. On the issuance of compound financial instruments, the fair value of liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The equity component is classified under other equity.

(2) Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI). Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the asset give rise on specified dates to cash flows that represent solely payment of principal and interest

(3) Financial assets at fair value through Profit and Loss (FVTPL)

Financial assets at fair value through Profit and Loss (FVTPL). Financial assets that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Profit and Loss. The net gain or loss recognised in Profit and Loss incorporates any dividend or interest earned on the financial asset.

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(4) Financial liability

The Restricted Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.
Financial liabilities are measured subsequently at amortised cost using the effective interest method except financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in Profit and Loss. For trade and other payables maturing with in one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity os these instruments.

De-recognition of financial liability

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

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Current versus non-current classification

The Restricted Group presents assets and liabilities in the balance sheet based on current/ noncurrent classification.
An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current

A liability is current when:

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

The Restricted Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Restricted Group has identified twelve months as its operating cycle.

2.13 Income taxes

Tax expense recognised in Profit and Loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from Profit and Loss in the financial information. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.
Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the entities forming part of Restricted Group's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in Profit and Loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

The tax expense comprises of Current Taxes and Deferred Taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of the Income-Tax Act, 1961 ("IT Act").
Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date and recognized/derecognized only to the extent that there is reasonable certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such Deferred Tax assets can be realized.

The entities forming part of Restricted Group recognises MAT credit available as deferred tax asset only to the extent that there is reasonable evidence that the entities forming part of Restricted Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.15 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligations as a whole.

Any reimbursement that the entities forming part of Restricted Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resource is remote.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

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2.16 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including nonmonetary 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 classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These 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 Special Purpose Combined and Carve Out Financial Statements.

Post-employment benefits plans

The entities forming part of Restricted Group provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The entities forming part of Restricted Group pays fixed contribution into independent entities in relation to several state plans and insurances for individual employees. The entities forming part of Restricted Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the entities forming part of Restricted Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the entities forming part of Restricted Group.

The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Service cost of the entities forming part of Restricted Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in Special Purpose Combined and Carve Out Financial Statements. Gains and losses resulting from re-measurements of the net defined benefit liability are included in other comprehensive income.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefit. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Restricted Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields on Government securities. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. Past-service costs are recognised immediately in the statement of profit and loss.

The Restricted Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.17 Inventories

Inventory raw materials, stores and spares

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value after provising for obsolences and other losses, where considered necessary. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

2.18 Capital work-in-progress

Directly and indirectly attributable expenditure related to and incurred during implementation (net of incidental income) of capital projects to get the assets ready for intended use and for a qualifying asset is included under "Capital work-in-progress". The same is allocated to the respective items of property, plant and equipment on completion of construction (development of project) / erection of the capital project / property, plant and equipment. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

2.19 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The entities in Restricted Group uses derivative financial instruments such as option contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the entities in Restricted Group formally designates and documents the hedge relationship to which the Restricted Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the entities in the Restricted Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entities in the Restricted Group actually hedges and the quantity of the hedging instrument that the entities in Restricted Group actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The entities in the Restricted Group uses option contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

The amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

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2.20 Foreign currency

Transactions in foreign currencies are initially recorded by the Restricted Group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.21 Material management judgement in applying accounting policies

The preparation of financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acrestricted grouping disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected.

In particular, the Restricted Group has identified the following areas where material judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Special Purpose Combined and Carve Out Financial Statements. Changes in estimates are accounted for prospectively.

Judgements

Judgements In the process of applying the Restricted Group's accounting policies, management has made the following judgements, which have the material effect on the amounts recognised in the Special Purpose Combined and Carve Out Financial Statements.

(a) Contigencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Restricted Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

(b) Deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and future recoverability of deferred tax assets. The amount of the deferred income tax assets considered realisable could reduce if the estimates of the future taxable income are reduced. In assessing the recoverability of deferred tax assets, the respective entities relies on the same forecast assumptions used elsewhere in the financial statements. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Restricted Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(c) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

(d) Classification of leases

The Restricted Group enters into leasing arrangements for various lands. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Restricted Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Estimate

a) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

b) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

c) Employee benefits

The cost of the employee benefit and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. an actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, employee benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d) Fair value measurement

In estimating the fair value of financial assets and financial liabilities, the Restricted Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Restricted Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

(e) Estimating the incremental borrowing rate

The Restricted Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Restricted Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Restricted Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Restricted Group estimates the IBR using observable inputs (such as market interest rates) when available.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM') [Chairperson and Chief Financial Officer]. The Restricted Group is engaged in the business of renewable power generation. Based on the guiding principles laid down in IndAS 108 on segment reporting this constitue one single primary segment.

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3.00 Recent accounting pronouncements

(A) Amendment to Accounting Standards (Ind AS) issued but not yet effective

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below. Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Group does not expect this amendment to have an impact on its operations or financial statements

(B) Standards issued/amended and became effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. During the year ended 31 March 2026, MCA has notified following new standards or amendments to the existing standards applicable to the Restricted Group:

Lack of exchangeability - Amendments to Ind AS 21:

The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107:

The amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments. Disclosures introduce new requirements for disclosure of supplier finance arrangements (such as supply chain finance, payables finance, or reverse factoring). These arrangements typically involve a finance provider paying amounts owed to suppliers, while the entity agrees to pay the finance provider at a later date, often providing extended payment terms to the entity or early payment terms to suppliers.

The amendments require disclosures that enable users of financial statements to understand the effects of these arrangements on the entity's liabilities, cash flows, and liquidity risk. Entities must disclose:

- The terms and conditions of the arrangements, including extended payment terms and any security or guarantees provided.
- Carrying amounts of financial liabilities under such arrangements and related line items in the balance sheet, including amounts for which suppliers have already received payment from finance providers.
- The range of payment due dates for these liabilities compared to similar trade payables not part of such arrangements.
- The type and effect of non-cash changes in the carrying amounts of these liabilities.

The amendments will not have a material impact on the consolidated financial statements.

Additionally, Ind AS 107 now requires disclosure of whether the entity has accessed or has access to facilities under supplier finance arrangements as part of liquidity risk management. Entities must also consider whether these arrangements create significant concentrations of liquidity risk.
The amendments are effective for annual reporting periods beginning on or after 1 April 2025. Comparative information is not required for the period of initial application, and disclosures are not required for interim periods within that annual reporting period.

Right to Defer Settlement – Amendments to Ind AS 1:

The amendments to Ind AS 1 Presentation of Financial Statements clarify the principles for classifying liabilities as current or non-current. The amendments remove the term "unconditional" from the classification principle and require assessment of whether an entity has a right to defer settlement of a liability at the end of the reporting year, rather than whether it expects or intends to exercise that right.

The amendments specify that:
If the right to defer settlement is subject to compliance with specified conditions, the right exists only if the entity complies with those conditions at the reporting date, even if compliance is tested later. Classification is unaffected by management intentions or expectations or by settlement within twelve months after the reporting year.

Additional guidance has been introduced on covenants, breaches, and subsequent events, including disclosure requirements for covenants that could affect classification within twelve months after the reporting year.
The definition of settlement has been clarified to include transfers of cash, other economic resources, or the entity's own equity instruments (subject to Ind AS 32).
The amendments also introduce new disclosure requirements for non-adjusting events and covenant-related risks.
The amendments are effective for annual reporting years beginning on or after 1 April 2025, with certain provisions (such as the removal of the carve-out for covenant breaches) effective from 1 April 2026. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Special purpose Combined and Carve out financial statement.

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G.D. SINGHAL & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN : 017648N FEROZEPUR CITY

S.A.E. Limited

4 Property, plant and equipment and Right-of-use assets

Details of restricted group's property, plant and equipment and their carrying amounts are as follows

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings	Office equipments	Computer equipment	Vehicles	Total	Right of use asset-Land
Gross block									
Balance as at 01 April 2024	**1,025.29**	**1,746.04**	**18,146.97**	**17.05**	**24.11**	**14.92**	**118.89**	**21,093.27**	**301.11**
Addition during the year	15.23	840.24	4,530.73	9.85	8.71	2.76	6.99	5,414.51	52.86
Disposal during the year	-	-	471.66	-	-	-	-	471.66	104.74
Balance as at 31 March 2025	**1,040.52**	**2,586.28**	**22,206.04**	**26.90**	**32.82**	**17.68**	**125.88**	**26,036.12**	**249.23**
Addition during the year	46.53	36.50	232.74	1.52	5.00	2.37	-	324.66	21.20
Disposal during the year	-	-	18.31	-	0.43	-	1.42	20.16	-
Balance as at 31 March 2026	**1,087.05**	**2,622.78**	**22,420.47**	**28.42**	**37.39**	**20.05**	**124.46**	**26,340.62**	**270.43**
Accumulated depreciation									
Balance as at 01 April 2024	**-**	**692.45**	**8,151.52**	**11.64**	**19.44**	**12.18**	**97.20**	**8,984.43**	**9.26**
Charge during the year	-	174.89	1,821.90	2.71	4.37	2.45	6.40	2,012.72	8.69
Disposal during the year	-	-	368.35	-	-	-	-	368.35	2.41
Balance as at 31 March 2025	**-**	**867.34**	**9,605.07**	**14.35**	**23.81**	**14.63**	**103.60**	**10,628.80**	**15.54**
Charge during the year	-	215.42	1,985.11	4.48	5.88	2.19	6.12	2,219.20	9.84
Disposal during the year	-	-	11.11	-	**0.39**	-	1.29	12.79	-
Balance as at 31 March 2026	**-**	**1,082.76**	**11,579.07**	**18.83**	**29.30**	**16.82**	**108.43**	**12,835.21**	**25.38**
	-	-	-	-	-	-	-	-	-
Net block									
Balance as at 31 March 2026	**1,087.05**	**1,540.02**	**10,841.40**	**9.59**	**8.09**	**3.23**	**16.03**	**13,505.41**	**245.05**
Balance as at 31 March 2025	**1,040.52**	**1,718.94**	**12,600.97**	**12.55**	**9.01**	**3.05**	**22.28**	**15,407.32**	**233.69**

(i) Refer note 42A for details of assets pledged.
(ii) Refer note 44 B for information on capital commitment.

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5 **Capital work-in progress (CWIP)**

Opening balance	**As at 31 March 2026**	**As at 31 March 2025**
Capital work-in-progress		
Opening balance	77.30	3,576.58
Addition during the year	123.35	797.53
Less: Sold during the year	-	(105.40)
Less: Capitalisation during the year	(143.90)	(4,191.41)
Total capital work-in-progress	**56.75**	**77.30**

Capital work-in-progress ageing schedule for the year ended.

Particular	**Amount in CWIP for a period of**				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Project in progress as of 31 March 2026	56.75	-	-	-	56.75
Project in progress as of 31 March 2025	77.30	-	-	-	77.30

There are no such project under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2026.

(i) Refer note 42A for details of assets pledged.

6 **Intangible assets**

Details of Company's intangible assets and their carrying amounts are as follows:

Particulars	**Softwares**
Gross carrying value	
Balance as at 01 April 2024	-
Addition during the year	1.67
Disposal during the year	-
Balance as at 31 March 2025	**1.67**
Addition during the year	-
Disposal during the year	-
Balance as at 31 March 2026	**1.67**
Accumulated amortisation	
Balance as at 01 April 2024	-
Charge during the year	0.47
Disposal/ adjustment during the year	-
Balance as at 31 March 2025	**0.47**
Charge during the year	0.57
Disposal/ adjustment during the year	-
Balance as at 31 March 2026	**1.04**
Net carrying value	
Balance as at 31 March 2026	**0.63**
Balance as at 31 March 2025	**1.20**

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SAEL Limited

Particulars	As at 31 March 2026	As at 31 March 2025
7 Non-current Investments		
Investment in equity instruments (unquoted) (at FVTPL)		
Chattargarh Renewable Energy Private Limited	0.10	0.10
10,000 shares of face value of Rs. 10 each	0.10	0.10
Deemed Investment (at cost) (net of tax)*		
Chattargarh Renewable Energy Private Limited	136.89	136.89
Sunfree Energy Private Limited	646.32	646.32
	783.21	783.21
Aggregate amount of unquoted investment	**783.31**	**783.31**

Note: Refer note 42A for details of assets pledged as security by the Restricted Group for securing financing facilities from lenders

* These are interest-free loans and have been accounted as per Ind AS 109 " Financial Instruments". Pursuant to this accounting, the difference between gross proceeds and fair value has been shown as a "Deemed investment (at cost)"

8 Other financial assets - non current		
(unsecured, consider good unless otherwise stated)		
Bank deposits with banks having maturity beyond 12 months	79.53	93.84
Foreign currency derivative contracts	2,141.57	1,904.26
Security deposits	22.80	18.93
	2,243.90	2,017.03

Note: Refer note 42A for details of assets pledged as security by the Restricted Group for securing financing facilities from lenders

8A Deferred tax assets (net)		
Deferred tax assets arising on:		
Unabsorbed depreciation and business losses	724.48	606.10
Provision for doubtful debt	9.77	-
Employee benefits	9.84	2.73
Minimum alternate tax	28.43	28.43
Fair value investment	1,622.90	1,658.78
Deferred revenue grant	53.62	-
Exchange Difference	155.95	-
Cost of hedge reserve	476.38	23.65
Lease liability	43.42	38.79
Others	6.10	4.24
Deferred tax liabilities arising on:		
Property, plant and equipment	(612.96)	(433.82)
Cost of hedge reserve	(155.91)	(14.17)
Right of use asset	(43.70)	(42.32)
	2,318.32	1,872.41

8B Deferred tax liabilities (net)		
Deferred tax assets arising on:		
Unabsorbed depreciation and business losses	14.04	120.50
Deferred revenue grant	-	63.63
Minimum alternate tax	28.51	-
Cost of hedge reserve	16.11	82.93
Provision for doubtful debt	-	6.14
Employee benefits	1.91	6.79
Lease liability	-	0.48
Exchange Difference	12.35	2.04
Deferred tax liabilities arising on:		
Property, plant and equipment	(91.31)	(445.46)
Cash flow hedging reserve	(7.93)	(37.78)
	(26.32)	(200.73)
Deferred tax assets (net)	2,318.32	1,872.41
Deferred tax liabilities (net)	(26.32)	(200.73)
Deferred tax (net)	**2,292.00**	**1,671.68**

CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

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SAEL Limited

Restricted Group
Notes to Special Purpose Combined and Carve out Financial Statements for the year ended 31 March 2026
(All amounts in Rs Million, unless otherwise stated)

Movement of deferred tax

Particulars (2024-25)	As at 01 April 2025	Recognised on account of investment	Recognise through other equity	(Expenses)/ benefit recognised in statement of profit and loss	(Expenses)/ benefit recognised other comprehensive income	As at 31 March 2026
Assets						
Unabsorbed depreciation and business losses	726.61	-	-	11.91	-	738.52
Minimum alternate tax	28.43	-	-	28.51	-	56.94
Provision for doubtful debts	6.15	-	-	3.62	-	9.77
Employee benefits	9.52	-	-	2.91	(0.68)	11.75
Lease liability and right of use asset	39.27	-	-	4.15	-	43.42
Fair value of investment	1,658.77	-	-	(35.87)	-	1,622.90
Deferred revenue grant	63.62	-	-	(10.00)	-	53.62
Cost of hedge reserve	106.58	-	-	-	385.90	492.49
Exchange Difference	6.28	-	-	162.02	-	168.30
Others	-	-	-	6.10	-	6.10
Liabilities						
Right to Use Asset	(42.32)	-	-	(1.38)	-	(43.70)
Cash flow hedge reserve	(51.95)	-	-	-	(111.89)	(163.84)
Property, plant and equipment	(879.28)	-	-	175.01	-	(704.27)
Total	1,671.68	-	-	346.99	273.33	2,292.00

Particulars (2024-25)	As at 01 April 2024	Recognised on account of investment	Recognise through other equity	(Expenses)/ benefit recognised in statement of profit and loss	(Expenses)/ benefit recognised other comprehensive income	As at 31 March 2025
Assets						
Unabsorbed depreciation and business losses	344.70	-	-	381.91	-	726.61
Minimum alternate tax	28.43	-	-	-	-	28.43
Provision for doubtful debts	8.95	-	-	(2.80)	-	6.15
Employee benefits	14.81	-	-	(1.87)	(3.42)	9.52
Lease liability and right of use asset	37.49	-	-	1.30	-	38.79
Fair value of investment	51.46	159.11	1,437.84	10.36	-	1,658.77
Deferred revenue grant	80.50	-	-	(16.88)	-	63.62
Cost of hedge reserve	-	-	-	-	106.58	106.58
Others	-	-	-	6.28	-	6.28
Liabilities				-		
Right to Use Asset	(41.83)			-	-	(41.83)
Compound financial instruments	(199.99)	-	199.99			-
Cash flow hedge reserve	-	-	-	-	(51.95)	(51.95)
Property, plant and equipment	(969.85)	-	-	90.57	-	(879.28)
Total	(645.33)	159.11	1,637.83	468.86	51.21	1,671.68

MAT credit expiry in Company

Particulars	As at 31 March 2026	As at 31 March 2025
31 March 2041	28.51	-
31 March 2037	4.06	4.06
31 March 2036	6.97	6.97
31 March 2035	7.22	7.22
31 March 2034	2.24	2.24
31 March 2033	2.43	2.43
31 March 2032	3.09	3.09
31 March 2030	2.42	2.42
Total	56.94	28.43

Effective tax reconciliation

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Loss before tax	(1,300.02)	(1,158.41)
Applicable tax rate*	25.17%	25.17%
Expected tax expense [A]	**(327.19)**	**(291.55)**
Expenses (net of income) not considered in determining taxable profit	3.20	(10.22)
Earlier year tax expenses	20.36	-
Change in tax rate	-	(148.43)
Others	5.51	1.74
Total adjustments [B]	29.07	(156.92)
Actual tax expense [C=A+B]	(298.12)	(448.47)
Total tax incidence	(298.12)	(448.47)
Tax expense recognized in statement of profit and loss [D]	-	-

The applicable tax rate is the domestic tax rate applicable to the Restricted Group - 31 March 2026 : 25.17% (31 March 2025: 25.17%)

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SAEL Limited

Particulars	As at 31 March 2026	As at 31 March 2025
9 Non-current tax assets (net)		
Advance income tax (net of provision)	85.13	10.75
	85.13	**10.75**
10 Other non current assets		
Advances recoverable in cash or kind	0.42	-
- Others	176.81	186.19
Capital advances*	-	3.97
Balance with government authorities (paid under protest)	**177.23**	**190.16**

(i) Refer note 42A for information on assets under charges
* Refer note 41 for Related Party disclosures

11 Inventories		
(valued at lower of cost or net realisable value)		
Raw materials and components	1,075.29	1,087.39
Stores and spares	76.03	50.00
Packing materials	1.07	-
	1,152.39	**1,137.39**

(i) Refer note 42A for information on assets under charges

12 Current investments		
Investment in mutual fund (quoted) (at FVTPL)	183.44	8.32
	183.44	**8.32**
Aggregate purchase price of quoted investments	180.70	5.40
Aggregate carring value of quoted investments	183.44	8.32

Mutual Funds	As at 31 March 2026	
	No of Units	Amount
Baroda BNP Paribas Business Cycle Fund-Regular Growth Growth (BC-GP-G)	499,965.00	7.04
Baroda BNP Paribas Short Duration Fund-Regular Growth (SI-GP-G)	14,528.27	0.44
Sundaram ELSS Tax Saver Fund Growth	1,363.00	0.66
Invesco India Money Market Fund - Direct Plan Growth	22,812.81	175.30
Total	**538,669.08**	**183.44**

Mutual Funds	As at 31 March 2025	
	No of Units	Amount
Baroda BNP Paribas Business Cycle Fund-Regular Growth Growth (BC-GP-G)	499,965.00	7.27
Baroda BNP Paribas Short Duration Fund-Regular Growth (SI-GP-G)	14,528.27	0.41
Sundaram ELSS Tax Saver Fund Growth	1,363.00	0.64
Total	**515,856.27**	**8.32**

13 Trade receivables		
(unsecured, consider good unless otherwise stated)		
Considered good	797.06	855.27
Considered doubtful	2.21	
	799.27	855.27
Less:- Allowance for doubtful receivables	(2.21)	
	797.06	**855.27**

Trade receivable ageing schedule as at 31 March 2026

31 March 2026	Outstanding for following periods from the due date of payment						
	Unbilled Dues*	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivable	461.10	308.64	16.38	10.44	0.50	-	-	797.06
Considered good	-	-	-	-	2.21			2.21
Credit impaired	461.10	308.64	16.38	10.44	2.71	-	-	799.27
					(2.21)		-	(2.21)
Less:- Allowance for doubtful trade receivable	461.10	308.64	16.38	10.44	0.50	-	-	797.06
Total trade receivable								

Trade receivable ageing schedule as at 31 March 2025

31 March 2025	Outstanding for following periods from the due date of payment						
	Unbilled Dues*	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3years	More than 3 years	Total
Undisputed trade receivable	662.52	189.93	1.49	1.33	-	-	-	855.27
Considered good	-	-	-	-	-	-	-	
Credit impaired	662.52	189.93	1.49	1.33	-	-	-	855.27
	-	-	-	-	-	-	-	
Less:- Allowance for doubtful trade receivable	662.52	189.93	1.49	1.33	-	-	-	855.27
Total trade receivable								

* Unbilled dues pertains to receivable against which billing is yet to issued however the performance obligation is completed

(i) There are no debts due by directors or other officers of the restricted group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member
(ii) There are no disputed trade receivables, hence the same is not disclosed in the ageing schedule
(iii) The net carrying value of trade receivables is considered a reasonable approximation of fair value
(iv) The credit period given to the customer ranges from 60 to 90 days
(v) Refer note 42A for details of assets pledged.
(vi) Refer note 39 for exposure the credit risk and loss allowance related to trade receivable

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SAEL Limited

Particulars	As at 31 March 2026	As at 31 March 2025
14 Cash and cash equivalents		
Cash on hand	0.47	1.50
Balances with bank - current accounts	253.89	686.74
	254.36	688.24
(i) Refer note 42A for information on assets under charges		
15 Bank balances other than cash and cash equivalents		
Bank deposits with original maturity of more than three months but less than 12 months	198.72	-
	198.72	-
(i) Refer note 42A for information on assets under charges		
16 Loans		
(unsecured, consider good unless otherwise stated)		
Non-current financial asset		
Loans to unrestricted group#	2,930.11	2,673.66
	2,930.11	2,673.66
Current financial asset		
Loans to unrestricted group*	8.00	8.00
	8.00	8.00

#During the previous year Universal Biomass Energy Private Limited (co-issuers) has given loan to unrestricted group amounting to Rs. 8,738.27 millions which is receivable after the expiry of 15 years (31 March 2025: 15 years).
These are interest-free loans and have been accounted at fair value as per Ind AS 109 " Financial Instruments". Pursuant to this accounting, the difference between gross proceeds and fair value has been shown as an "Investment in equity instrument (at amortised cost)".

As a result of the interest-free loan provided by the restricted group to the unrestricted group, and in accordance with Indian Accounting Standard (Ind AS) 109 – Financial Instruments, an amount of Rs. 4,275.13 million (net of tax) has been recognized as a distribution to the unrestricted group in previous year.
This treatment is based on the requirement under Ind AS 109 to initially recognize financial instruments at fair value, which leads to the recognition of a deemed distribution when loans are extended without interest.

If the impact of Ind AS 109 were excluded, the net parent investment balance would increase by Rs. Rs. 4,275.13 million as at 31 March 2025.

* Loan given to unrestricted group are interest free and repayable on demand

Details of loans or advances in the nature of loans granted to promoter, directors, KMPs and the unrestricted entities/parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

As at 31 March 2026 Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Unrestricted group	8.00	100.00%

As at 31 March 2025 Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Unrestricted group	8.00	100.00%

(i) Refer note 42A for information on assets under charges.

17 Other financial assets		
(unsecured, consider good and measured at amortised cost unless otherwise stated)	3.45	4.94
Security deposits	19.44	121.42
Bank deposits with remaining maturity less than 12 months	172.52	70.86
Foreign currency derivative contracts (refer note 39)	6.25	36.11
Other receivable *	201.66	233.34

Refer note 42A for information on assets under charges.
*Includes receivable from unrestricted group. (Refer note 41)

18 Current tax assets (net)		
Advance income tax (net of provision)	-	47.06
	-	47.06

19 Other current assets		
(unsecured, consider good unless otherwise stated)	167.08	214.20
Advance to vendors	16.39	17.19
Deposits with government authorities	23.54	16.86
Prepaid expenses	4.84	13.10
Other receivables	211.85	261.34

(i) Refer note 42A for information on assets under charges

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SEL Limited

Particulars	As at 31 March 2026	As at 31 March 2025
20 Net parent investment		
Opening balance	(1,971.21)	3,168.32
Total comprehensive (loss) for the year	(1,814.61)	(864.40)
Distrubution to unrestricted group (net of tax)	-	(4,275.13)
Closing balance	**(3,785.82)**	**(1,971.21)**

Net parent investment represents the aggregate amount of share capital and other equity of restricted group of entities as at the respective year and does not necessarily represent legal share capital for the purpose of the Restricted Group.

Distribution to Un-restricted group
Distribution to the unrestricted group represents the excess of the discounted value of the interest-free loans granted by the restricted group to un-restricted group.

21 Non current borrowings		
measured at amortised cost		
Secured*		
Term loans		
7.8% Senior Secured Notes Maturing 2031	25,643.46	24,777.04
Less: Current maturity of		
7.8% Senior Secured Notes Maturing 2031	(2,222.02)	(1,656.17)
	23,421.44	**23,120.87**

* Refer note 40 for terms of borrowings.

22 Lease liabilities		
Non current	242.54	215.39
Current	1.10	1.08
	243.64	**216.47**

23 Provisions		
Provision for gratuity (refer note 45)	26.96	22.12
Other provisions		
Provision for asset retirement obligation (refer note below)	4.33	4.06
	31.29	**26.18**

Note:
Provision for asset retirement obligation
The Resticted group is required to incur the land restoration cost at the end of project year and hand over the land to the owners as per the terms specified in lease agreement.
For this purpose, the Restricted group has performed a cost estimation of the land restoration cost for the future decommissioning of the project at the end of project life. Accordingly based on technical estimates, a provision for land restoration cost is reviewed and is provided for in the accounts on periodical basis.

Movement in asset retirement obligation during the financial year:

Balance at the beginning of the year	4.06	-
Addition during the year	-	3.8
Add: Interest on account of unwinding of provision	0.27	0.26
Less: Utilisation	-	-
Balance at the end of the year	**4.33**	**4.06**

24 Other non current liabilities		
Deferred grant	176.80	213.04
	176.80	**213.04**

25 Current borrowings		
measured at amortised cost		
Secured		
Working capital demand loan	1,733.13	1,600.00
Current maturity of		
7.8% Senior Secured Notes Maturing 2031	2,222.02	1,656.17
	3,955.15	**3,256.17**

(i) Refer note 40 for terms of borrowings.

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SAEL Limited

Particulars	As at 31 March 2026	As at 31 March 2025
26 Trade payables		
(measured at amortised cost)		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	48.31	9.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.91	15.33
	109.22	**24.67**

Note :-

a	Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006'):		
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	48.31	9.34
ii)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payments made to the supplier beyond the appointed day during accounting year	4.78	1.74
iii)	The amount of interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
iv)	The amount if interest accrued and remaining unpaid at the end of each accounting year, and	-	-
v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under	4.78	1.74

The above information regarding dues to Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 has been determined to the extend identified and information available with the Restricted Group any pursuant to Section 22 of the Micro, Small and Medium enterprises Development Act (MSMED), 2006.

Trade payable ageing schedule as at 31 March 2026

	Outstanding for following periods from the invoice date of payment					
31 March 2026	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed dues - MSME*	2.20	45.36	0.05	0.70	-	**48.31**
Undisputed dues - Others	1.44	54.76	3.07	1.64	-	**60.91**
Total trade payables	**3.64**	**100.12**	**3.12**	**2.34**	-	**109.22**

Trade payable ageing schedule as at 31 March 2025

	Outstanding for following periods from the invoice date of payment					
31 March 2025	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed dues - MSME*	1.45	7.89	-	-	-	**9.34**
Undisputed dues - Others	0.03	8.74	4.11	2.45	-	**15.33**
Total trade payables	**1.48**	**16.63**	**4.11**	**2.45**	-	**24.67**

Note:
(i) There are no disputed trade payables as on 31 March 2026 and 31 March 2025, hence the same is not disclosed in the ageing schedule
(ii) All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.
(iii) Trade payables are non-interest bearing and are normally settled on 0-90 days terms.
*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

27 Other financial liabilities		
Interest accrued	349.90	356.52
Capital creditors*	560.03	829.67
Employee related liabilities	50.40	28.13
Others payables	92.07	137.68
Related parties*		
	1,052.40	**1,352.00**

* Includes amount payable to unrestricted group (Refer note 41).

28 Other current liabilities		
Payable to statutory authorities	41.30	12.70
Deferred grant	36.24	39.77
	77.54	**52.46**

29 Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 45)	2.29	1.66
Provision for compensated absences	15.58	12.69
	17.87	**14.35**

30 Current tax liabilities (net)		
Provision for tax (net)	27.44	-
	27.44	-

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Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
31 Revenue from operations		
Sale of goods		
Revenue from sale of electricity	7,280.76	6,122.33
	7,280.76	**6,122.33**

Revenue from contracts with customers

a) Disaggregation of revenue

Set out below is the disaggregation of the Restricted Group's revenue from contracts with customers:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from contracts with customers		
Revenue from sale of electricity	7,280.76	6,122.33
Total Revenue	**7,280.76**	**6,122.33**

b) Timing of revenue recognition

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
At point over time	7,280.76	6,122.33
At a point in time	-	-
Total Revenue	**7,280.76**	**6,122.33**

c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2026	As at 31 March 2025
Receivables (refer note 13)		
Trade receivables (gross)	799.27	855.27
Less:- allowance for expected credit loss	(2.21)	-
Net trade receivables	**797.06**	**855.27**

^Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

There are no contract assets and contract liabilities during the respective years, therefore disclosure regarding significant changes in contract assets is not given.

d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue as per contract	7,432.36	6,229.97
Adjustments:		
Rebate and discounts	151.60	107.64
Revenue from contract with customers	**7,280.76**	**6,122.33**

e) Transaction price - remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Restricted Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Restricted Group has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the Restricted Group performance completed till the reporting period.

e) There is no significant estimate involved in the recognition of revenue from contract.

32 Other income		
Interest income on	14.15	34.12
- bank deposits	256.67	177.44
- loan to related parties	39.77	43.83
Amortisation of deferred grant	0.13	0.23
Fair value gain on mutual fund (FVTPL)	22.37	13.46
Insurance claim received	14.06	-
Gain on exchange fluctuation (net)	7.90	-
Gain on change in fair value of derivatives (net)	7.45	-
Liabilities no longer required written back	-	3.31
Gain on modification/cancellation of lease liabilities	29.00	14.05
Miscellaneous income	**391.50**	**286.44**

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Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
33 Cost of material consumed		
Cost of material consumed	2,406.37	1,857.39
	2,406.37	**1,857.39**
34 Employee benefits expense		
Salaries, wages and bonus	353.10	278.72
Contribution to provident and other funds	13.73	11.95
Staff welfare expenses	12.78	14.67
	379.61	**305.34**
35 Finance costs		
(for financial liabilities measured at amortised cost)		
Interest costs on:		
- borrowings	2,480.24	2,016.93
- lease liabilities	22.08	19.00
Amortisation of time value of options	352.05	257.36
Other borrowing cost	10.26	27.80
Exchange differences (net)	713.80	-
	3,578.43	**2,321.09**
36 Depreciation and amortisation expenses		
Depreciation and amortisation expenses (refer note 4)	2,219.20	2,012.40
Depreciation of right of use of assets (refer note 4)	9.84	8.69
Amortisation of intangible assets (refer note 6)	0.57	0.47
	2,229.61	**2,021.56**
Note: Refer note 42B for capitalisation of expenditure		
37 Other expense		
Consumption of stores and spares	29.42	21.55
PEDA expense	62.07	46.75
Power & fuel	48.90	31.69
Repairs and maintenance		
Plant and equipments	22.10	14.74
Buildings	3.00	3.34
Others	37.49	34.36
Rent and hire charges	11.73	9.69
Rates and taxes	16.05	19.46
Insurance	32.88	28.86
Security services	32.00	29.39
Legal and professional fees	73.71	40.19
Bad debts	-	5.18
Advances written off	-	17.74
Bank charges	8.62	-
Travelling and conveyance	10.91	74.68
Loss on exchange fluctuation (net)	-	2.15
Loss on sale of property,plant and equipment (net)	-	31.82
Miscellaneous expenses	94.38	77.20
	483.26	**488.79**
Note: Refer note 42B for capitalisation of expenditure		
38 Exceptional items		
Prepayment charges of earlier loans	-	573.00
Exceptional Income	(165.79)	-
Loss by fire	60.29	-
	(105.00)	**573.00**

(i) Prepayment charges paid by the Restricted Group in previous year pertains to early repayment of its loans taken from lenders.

(ii) During the year, one of the entities of the Restricted Group (SAEL Kaithal Renewable Energy Private Limited) recorded exceptional income amounting to Rs. 165.79 million (for the period 1 January 2022 to 31 March 2025) received from Haryana Power Purchase Centre (HPPC). Following a petition filed by the Company, the Hon'ble Haryana Electricity Regulatory Commission (HERC), through its Order dated 13 August 2025, approved an increase in tariff with retrospective effect from 1 April 2024.Based on this Order, the Restricted Group has raised bills at the revised tariff and successfully collected the dues.

(iii) During the year, certain stock lying in the entities comprised within Restricted Group having carrying amount of Rs. 60.29 million was damaged by fire. The Restricted Group has filed for claim reimbursement with the insurance company.

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39 Financial instruments

(i) Financial instruments – by category and fair values hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Restricted Group has classified its financial instruments into the three levels prescribed under the accounting standard

Level 1: quoted prices (unadjusted) in active markets for financial instruments
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

Valuation techniques used to determine fair value

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values

- Trade receivables, cash and cash equivalents, bank balances others than cash and cash equivalents, other financial assets, borrowing, trade payables and other financial liabilities

Approximate their carrying amounts largely due to the current maturities of these instruments that are fair value

- Borrowings taken by the Restricted Group are as per the restricted Group's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

- The fair value measurement of lease liabilities is not required to be disclosed

In Rs million unless otherwise stated

(ii) Financial instruments by category

Particulars	Level of hierarchy	As at 31 March 2026			As at 31 March 2025		
		FVOCI#	FVTPL*	Amortised cost	FVOCI#	FVTPL*	Amortised cost
Financial assets							
Non current**							
Investments•	3	-	-	0.10	-	-	0.10
Other financial assets							
Foreign currency derivative contracts	2	2,141.57	-	-	1,904.26	-	-
Others	-	-	-	102.33	-	-	112.77
Loans	-	-	-	2,930.11	-	-	2,673.60
Current							
Loans	-	-	-	8.00	-	-	8.00
Investments	1	-	183.44	-	-	8.32	-
Other financial assets							
Foreign currency derivative contracts	2	172.52	-	-	70.86	-	-
Others	-	-	-	29.14	-	-	162.47
Trade receivable	-	-	-	797.06	-	-	855.27
Cash and cash equivalents	-	-	-	254.36	-	-	688.24
Bank balances other than cash and cash equivalents above	-	-	-	198.72	-	-	-
Total financial assets		2,314.09	183.44	4,319.82	1,975.13	8.32	4,500.45
Financial liabilities							
Non current							
Borrowings	-	-	-	23,421.44	-	-	23,120.87
Lease liabilities	-	-	-	242.54	-	-	215.39
Current							
Borrowings	-	-	-	3,955.15	-	-	3,256.17
Lease liabilities	-	-	-	1.10	-	-	1.08
Other financial liabilities	-	-	-	1,052.40	-	-	1,352.00
Trade payables	-	-	-	109.25	-	-	24.67
Total financial liabilities		-	-	28,781.89	-	-	27,970.17

•Fair value through Profit and Loss
#Fair value through other comprehensive income
**excludes deemed investments as per Ind AS 109

The amortised cost of financial assets and liabilities approximates the fair value of the respective reporting dates.

Financial assets and financial liabilities are measured at fair value in the Special Purpose Combined and Carve out Financial Statements and are grouped into three level of fair value hierarchy. The three levels are defined based on the observability of significant impacts of the measurement

Fair value measurement hierarchy for investments :

Particulars	As at 31 March 2026	As at 31 March 2025	Valuation methodology/ technique
Investments in quoted mutual funds (Level 1)	183.44	8.32	These quoted mutual funds are valued at fair value on the basis of the Net Asset Value (NAV) of the fund on the reporting date.
Investment in unquoted equity instruments (Level 3)	0.10	0.10	These unquoted equities are valued at amortised cost

Fair value measurement hierarchy for financial assets:

Foreign currency derivative contracts

The foreign currency derivative contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models using present value calculations. The model incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies

Particulars	Level of fair value	As at 31 March 2026		As at 31 March 2025	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets (current) :					
- Foreign currency derivative contracts	2	2,314.09	2,314.09	1,975.13	1,975.13
Total		2,314.09	2,314.09	1,975.13	1,975.13

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(iii) Risk management

The Restricted Group's activities expose it to credit risk, liquidity risk and market risk. The entities forming part of Restricted Group's board of directors has overall responsibility for the establishment and oversight of the Restricted Group's risk management framework. This note explains the sources of risk which the Restricted Group is exposed to and how the Restricted Group manages the risk and the related impact in the Special Purpose Combined and Carve out Financial Statements.

Risk management framework

The entities forming part of Restricted Group's board of directors has overall responsibility for the establishment and oversight of the Restricted Group's risk management framework. The board of directors have authorized the Managing Director to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Restricted Group, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Restricted Group's activities. The Restricted Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk	Exposure arising from	Measurement	Management diversification
Credit risk	Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets	Ageing analysis and credit ratings	Diversification of bank deposits and credit limits and regular monitoring and follow ups
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting sensitivity analysis	Foreign currency derivative contracts and Cross currency swaps
Market risk – interest rate	Non current borrowings at variable rates	Sensitivity analysis	Diversification of borrowings
Market risk – price rate	Investments in mutual fund	Sensitivity analysis	Diversification of portfolio of investments

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Restricted Group. The Restricted Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Restricted Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Restricted Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date
B: Moderate credit risk
C: High credit risk

The Restricted Group provides for expected credit loss based on the following:

Trade receivables

Restricted Group's major trade receivables and other receivables are with, government owned counterparty. Therefore, these receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. The Credit risk on a financial instruments has not increased significiently since intial recognition as the financial instruments is determined to have low credit risk at the reporting date.

Cash and cash equivalents and bank balances other than cash and cash equivalents

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Restricted Group deals with highly rated banks.

Other financial assets

Other financial assets measured at amortized cost includes security deposits, contract assets, bank deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place to ensure the amounts are within defined limits. Credit risk is considered low because the Restricted Group is in possession of the underlying asset (in case of security deposit). Further, the Restricted Group creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

Based on business environment in which the Restricted Group operates, there have been no defaults on financial assets of the Restricted Group by the counterparties. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Restricted Group. The Restricted Group continues to engage with parties whose balances are written off and attempts to enforce repayment. There have been no cases of write off with the Restricted Group.

Credit rating	Particulars	As at 31 March 2026	As at 31 March 2025
A: Low credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, loans, trade receivable, investments and other financial assets	6,817.35	6,483.89

b) Credit risk exposure

(i) Provision for expected credit losses

The Restricted Group provides for expected credit losses for following financial assets –

In Rs million unless otherwise stated

As at 31 March 2026

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
12 month Expected credit loss			
Cash and cash equivalents	254.36	-	254.36
Bank balances other than cash and cash equivalents	198.72	-	198.72
Investment	183.44	-	183.44
Loans	2,938.11	-	2,938.11
Other financial assets	2,445.56	-	2,445.56
Life time expected credit loss			
Trade receivable	799.27	2.21	797.06
Total	6,819.46	2.21	6,817.35

In Rs million unless otherwise stated

As at 31 March 2025

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
12 month Expected credit loss			
Cash and cash equivalents	688.24	-	688.24
Bank balances other than cash and cash equivalents	-	-	-
Investments	8.32	-	8.32
Loans	2,681.60	-	2,681.60
Other financial assets	2,250.37	-	2,250.37
Life time expected credit loss			
Trade receivable	855.27	-	855.27
Total	6,483.79	-	6,483.79

The credit risk for cash and cash equivalents, investments and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Investment instruments are considered to have low credit risk because they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets for which loss allowance is measured using life time expected credit loss. The Restricted Group has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full. Hence, no impairment loss has been recognised during the year and the previous year in respect of trade receivables.

Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for expected credit losses on actual happening of an event i.e. upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

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Credit default risk

The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans and securities

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables

Reconciliation of expected credit loss for financial asset

Particulars	As at 31 March 2026	As at 31 March 2025
Loss allowance as at beginning of the year	-	-
Add: allowance for expected credit loss for the year	2.21	-
Loss allowance as at end of the year	2.21	-

31 March 2026	Trade receivables						
	Unbilled Dues	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3years	Total
Gross carrying amount (a)	461.10	308.64	16.38	10.44	2.71	0.00	799.27
ECL Rate	0%	0%	0%	0%	82%	#DIV/0!	0%
Expected credit losses (b)	-	-	-	-	2.21	-	2.21
Net trade receivables (a-b)	461.10	308.64	16.38	10.44	0.50	-	797.06

31 March 2025	Trade receivables						
	Unbilled Dues	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3years	Total
Gross carrying amount (a)	662.52	189.93	1.49	1.33	0.00	0.00	855.27
ECL Rate	0%	0%	0%	0%	0%	0%	0%
Expected credit losses (b)	-	-	-	-	-	-	-
Net trade receivables (a-b)	662.52	189.93	1.49	1.33	-	-	855.27

(B) Liquidity risk

Liquidity risk is the risk that the Restricted Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Restricted Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due

Management monitors rolling forecasts of the Restricted Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Restricted Group takes into account the liquidity of the market in which the Restricted Group operates

Financing arrangement

The Restricted Group had access to the following undrawn borrowing facilities at the end of the reporting year:

In Rs million unless otherwise stated

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current borrowings	-	-
Current borrowings	-	-

Maturities of financial liabilities

The tables below analyse the Restricted Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

In Rs million unless otherwise stated

As at 31 March 2026	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest)	1,733.13	3,783.18	12,604.99	14,482.05	32,603.34
Lease liabilities	-	25.06	108.93	931.16	1,065.15
Trade payables	-	109.22	-	-	109.22
Other financial liabilities	-	1,052.40	-	-	1,052.40
Total	1,733.13	4,969.87	12,713.92	15,413.21	34,830.12

In Rs million unless otherwise stated

As at 31 March 2025	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest)	1,600.00	3,562.15	14,395.50	16,475.74	36,033.39
Lease liabilities	-	14.41	99.96	866.48	980.85
Trade payables	-	24.67	-	-	24.67
Other financial liabilities	-	1,352.00	-	-	1,352.00
Total	1,600.00	4,953.24	14,495.46	17,342.22	38,390.92

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity

(C) Market risk

a) Foreign exchange risk

The Restricted Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Restricted Group's functional currency. The Restricted Group also has exposure in foreign currency is in respect of borrowings which is availed through issue of 7.80% Senior Secured USD Notes. The Restricted Group has entered into option contract to hedge said foreign currency exposure.

Derivative Instruments

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
Liabilities					
7.8% Senior Secured Bond Maturing 2031*	USD	270.92	296.23	25,643.46	24,777.04
Total		270.92	296.23	25,643.46	24,777.04

*The above amount includes EIR impact of the ancillary borrowing cost

Derivative Financial Instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments

Sensitivity

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

Particulars	Currency	As at 31 March 2026		As at 31 March 2025	
		Exchange rate increase by 5% (net of tax)	Exchange rate decrease by 5% (net of tax)	Exchange rate increase by 1% (net of tax)	Exchange rate decrease by 1% (net of tax)
7.8% Senior Secured Bond Maturing 2031	USD	(959.48)	959.48	(927.03)	927.03

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Hedging activities and derivatives

The Restricted Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is foreign currency risk. The Restricted Group's risk management strategy and how it is applied to manage risk are explained in Note 39(iii)

Derivatives designated as hedging instruments

Cash flow hedges

(A) Foreign currency risk:

Foreign exchange option contracts are designated as hedging instruments in cash flow hedges of forecast principal and interest rate payments of bond in US dollar. These forecast transactions are highly probable, and they comprise about 100% of the Restricted Group's total expected loan repayments in US dollars. The foreign exchange option contract balances vary with the level of expected foreign currency repayments and changes in foreign exchange forward rates. There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange option contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment dates). The Restricted Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange option contracts are identical to the hedged risk components. To test the hedge effectiveness, the Restricted Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

(B) Cross currency swaps

The Restricted Group has designated certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through yearly prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Restricted Group applies the following effectiveness testing strategies:

(i) The Restricted Group shall measure the hedge effectiveness qualitatively and wherever required quantitatively using hypothetical derivative.

(ii) The Restricted Group shall perform dollar offset method and critical terms match to measure the hedge effectiveness. The effectiveness is measured as the ratio of change in the value of hedging instrument to change in the value of hypothetical derivative by considering the numerical effects of change in the future interest rates and USD/INR spot rates.

The Restricted Group has performed a qualitative assessment and also a comprehensive quantitative assessment for testing the hedge effectiveness.

The Restricted Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position (assets)

Type of hedge and risks	Notional value (USD)	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Strike price
As at 31 March 2026					
Foreign currency risk					
(i) Foreign exchange forward contracts	305.00	2,314.09	31 January 2025 - 30 July 2031	1:1	USD Rs. 83.37 - 85.58
As at 31 March 2025					
Foreign currency risk					
(i) Foreign exchange forward contracts	305.00	1,975.14	31 January 2025 - 30 July 2031	1:1	USD Rs. 83.37 - 85.58

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
As at 31 March 2026				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,088.72	713.80	(1,391.67)	Finance costs
As at 31 March 2025				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(2.72)	-	(215.66)	Other income, finance costs and other expense

The Restricted Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through yearly prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

b) Interest rate risk

i) Liabilities

The Restricted Group's is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing.

Interest rate risk exposure

Below is the overall exposure of the restricted group to interest rate risk

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowing*	1,733.13	1,600.00
Fixed rate borrowing	25,643.46	24,777.04
Total borrowings	**27,376.59**	**26,377.04**

* Holding all other variables constant

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates

Particulars	As at 31 March 2026	As at 31 March 2025
Interest sensitivity*		
Interest rates – increase by 100 basis points (31 March 2025: 100 basis points)	17.33	16.00
Interest rates – decrease by 100 basis points (31 March 2025: 100 basis points)	(17.33)	(16.00)

** Holding all other variables constant*

Assets

The Restricted Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor

Interest rate risk exposure

Below is the overall exposure of the deposits:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate deposits	297.68	215.26
Total deposits	**297.68**	**215.26**

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c) **Price risk**

The Company's exposure to price risk arises from investments held and classified in the balance sheet as fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets

Exposure to interest rate risk	As at 31 March 2026	As at 31 March 2025
Investment in mutual fund (quoted) (at FVTPL)	183.44	8.32

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2026	As at 31 March 2025
Price – increase by 100 basis points (31 March 2025: 100 basis points)	1.37	0.06
Price – decrease by 100 basis points (31 March 2025: 100 basis points)	(1.37)	(0.06)

Capital management

For the purpose of the Restricted Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the stakeholders. The primary objective of the Restricted Group's capital management is to maximise the stakeholders value.

The Restricted Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Restricted Group may adjust the dividend payment to stakeholders, return capital to stakeholders or issue new shares. The Restricted Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Restricted Group's policy is to keep an optimum gearing ratio. The Restricted Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at31 March 2026	As at31 March 2025
Borrowings	27,376.59	26,377.04
Less: Cash and cash equivalents	(254.36)	(688.24)
Net debt	27,122.23	25,688.80
Net parent investment	(3,785.82)	(1,971.21)
Total Net parent investment	(3,785.82)	(1,971.21)
Capital and net debt	23,336.41	23,717.59
Net debt to equity ratio (%)	116.22%	108.31%

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40 Term of borrowings

S. No.	Entity Name	Nature of loan	Borrowing from	Name of Bank/ Financial institution	Nature of security	Terms of repayment and interest rate	31 March 2026	31 March 2025
1	SAEL Limited	7.8% Senior Secured Notes Maturing 2031			First ranking pari passu mortgage or charge over: (i) the immovable, movable (tangible and intangible), current assets (including the cash flows, book debts and revenues) and receivables of entity; and (ii) accounts established pursuant to the applicable Trust and Retention Account Agreement; (iii) charge over, the rights, titles, interests, benefits, claims and demands under the power purchase agreements, project documents and insurance policies of entity; (iv) pledge of 100% shares of the entity; (v) Debt Service Reserve Account opened by entity for the benefit of the holders of the Notes (vi) project assets forming a part of the Solar Energy Corporation of India ("SECI") projects (vii) rights and interest emanating under Restricted Project Documents; and (viii) the immovable properties leased or sub-leased to the Company under the restricted land lease agreements.	The Instrument 7.8% Senior Secured Note is issued for a year of 7 Years maturing on January 2031. Coupon rate for the instrument is 7.8% p.a and interest to be paid off semi-annually. Instrument has difference early repayment options with different premium amount. Refinancing amount (open) to be repaid at the time of maturity of instrument and capex amount is to be repaid in multiple instalments as per repayment schedule in the offer document.	17,686.93	17,243.62
2	Universal Biomass Energy Private Limited						3,179.67	3,227.35
3	Jaisalmer Green Power Energy Private Limited						1,123.89	1,014.35
4	SAEL Kaithal Renewable Energy Private Limited						843.45	760.32
5	Sonfrex Paschim Renewable Energy Private Limited						840.18	756.34
6	SAEL Solar Solution Private Limited						1,969.34	1,775.05
7	SAEL Limited	Working Capital Facility	Bank	Hongkong and Shanghai Banking Corporation	First ranking pari passu mortgage or charge over: (a) the immovable, movable and current assets of the entity; (b) rights under the power purchase agreements, project documents and insurance policies of the entity; (c) 100% of the shares of the entity; (d) AGRI-3 Fund guarantee (75 of total facilities)	Rate of interest shall be sum of the RBI Repo Rate + Spread per annum, plus applicable statutory levy, if any	850.00	850.00
8	Universal Biomass Energy Private Limited						250.00	250.00
9	Jaisalmer Green Power Energy Private Limited						250.00	250.00
10	SAEL Kaithal Renewable Energy Private Limited						250.00	250.00
11	Universal Biomass Energy Private Limited	Bank Overdraft	Bank	ICICI Bank	(A) Primary security - Charge on entire present and future current assets of the entity. (B) Collateral security - Charge on the existing properties held as collateral. The additional working capital term loan granted shall rank pari passu with the existing credit facilities in terms of cash flows.	Rate of interest is @ 7.50% p.a. (31 March 2025: 7.50% p.a.)	25.05	-
12	SAEL Limited	Wcring capital loan	Bank	ICICI Bank	Overdraft facility from bank secured against lien on fixed deposits of Rs 123 millions	Rate of interest shall be 8.75% p.a. and is repayable on demand.	107.18	-
				Total			27,376.89	26,377.83

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41 Related parties disclosure

I Names of related parties and related party relationship

The restricted group entities have certain transactions with entitites which are not covered under Restricted Group (unrestricted group entitites)

a) Ultimate Holding Company

SAEL Industries Limited

b) Unrestricted group entitics

(Including entities under common control or Entities over which KMP of Ultimate Holding Company or their relatives are able to excerise significant influence / control (directly or indirectly) (with whom transactions are done)

SAEL Limited (un-restricted group)
Sunfree Paschim Renewable Energy Private Limited
Canal Solar Energy Private Limited
Laxjeet Renewable Energy Private Limited
Universal Biomass Energy Private Limited
Jasrasar Green Power Energy Private Limited
SAEL Engineering Private Limited (Formerly Lalitpur Solar Private Limited)
SAEL Solar Mfg Private Limited
Sunfree Energy Private Limited
Chattargarh Renewable Energy Private Limited
SAEL Solar MHP1 Private Limited
SAEL Solar MHP2 Private Limited
Sapphire Agri Warehousing Private Limited

c) Directors and key managerial personnel (KMP)

Mr. Jasbir Singh (Managing Director)
Mr. Sukhbir Singh (Whole Time Director) (resgined w.e.f. 20 December 2024)
Ms. Kainaat Awla (Additional Director)(w.e.f 11 November 2024)
Mr. Harjagat Awla (Additional Director)(w.e.f 20 December 2024)
Mr. Dushyant Kumar (Chief Financial Officer)
Mr. Vishal Garg.(Company Secretary)

d) Relatives of KMP

Mrs. Palki Awla
Mrs Neetu Awla
Mrs. Seema Awla
Mr. Laxit Awla

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2026
(All amounts are in Rs. million, unless otherwise stated)

In Rs million unless otherwise stated

S. No.	Particular	For the year ended 31 March 2026	For the year ended 31 March 2025
(A)	**Transaction with related parties**		
1	**Remuneration of relatives of key managerial personnel**		
	Laxit Awla	3.61	6.56
		3.61	**6.56**
		-	-
2	**Loan given to related parties**		
	Sunfree Energy Private Limited	-	1,147.57
	SAEL Solar MHP1 Private Limited	-	4,223.80
	SAEL Solar MHP2 Private Limited	-	3,370.70
	SAEL Solar P10 Private Limited	-	4.20
		-	**8,746.27**
3	**Interest income from loan given to related parties**		
	Chattargarh Renewable Energy Private Limited	36.36	33.33
	Sunfree Energy Private Limited	25.96	18.93
	SAEL Solar MHP1 Private Limited	107.75	69.59
	SAEL Solar MHP2 Private Limited	86.60	55.59
		256.67	**177.44**
4	**Receipt of Non-current loan given**		
	SAEL Solar Mfg. Private Limited	-	325.23
		-	**325.23**
5	**Receipt of current loan given**		
	SAEL Industries Limited	-	654.96
	SAEL Limited (unrestricted group)	-	437.39
		-	**1,092.35**
6	**Repayment of loan taken**		
	SAEL Limited (unrestricted group)	-	1,536.33
		-	**1,536.33**
7	**Expenditure incurred by Unresticted Group on behalf of RG Group**		
	SAEL Industries Limited	204.57	48.08
	SAEL Engineering Private Limited	2.05	7.28
	Others (unrestricted group)	0.83	-
		207.45	**55.36**
8	**Purchase of property, plant and equipment and capital work in progress**		
	SAEL Engineering Private Limited (Formerly Lalitpur Solar Private Limited)	7.75	4.97
	SAEL Industries Limited (Ultimate Holding restricted group)	21.92	827.43
		29.67	**832.40**
9	**Sale of Property,plant and equipmet and capital work in progress**		
	Canal Solar Energy Private Limited	0.42	-
	TNA Renewable Energy Private Limited (Bhadra)	-	0.62
	Sapphire Agri Warehousing Private Limited	-	3.30
		0.42	**3.92**
10	**Security deposit refunded**		
	Mrs. Palki Awla	-	6.67
	Mrs Neetu Awla	-	6.67
	Mrs. Seema Awla	-	6.67
		-	**20.01**
11	**Sale of Investment**		
	Sindh Renewable Energy Private Limited	-	2.00
		-	**2.00**
12	**Lease rent Income**		
	SAEL Engineering Private Limited	0.12	-
		0.12	-
13	**Rent expense**		
	SAEL Engineering Private Limited	2.22	-
		2.22	-

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2026
(All amounts are in Rs. million, unless otherwise stated)

In Rs million unless otherwise stated

S. No.	Particular	As at 31 March 2026	As at 31 March 2025
	Outstanding balances		
1	**Loan given to related parties**		
	Chattargarh Renewable Energy Private Limited	404.25	367.89
	Sunfree Energy Private Limited	324.27	299.01
	SAEL Solar MHP1 Private Limited	1,225.05	1,117.30
	SAEL Solar MHP2 Private Limited	976.00	889.40
		2,929.57	**2,673.60**
2	**Current loan to Subsidiary Company**		
	SAEL Solar P10 Private Limited	4.20	4.20
	SAEL Solar MHP1 Private Limited	3.80	3.80
		8.00	**8.00**
3	**Capital advance given**		
	SAEL Engineering Private Limited	112.72	-
		112.72	-
4	**Other Receivables**		
	TNA Renewable Energy Private Limited	0.10	1.67
	Others - Unrestrcited group	4.20	-
		4.30	**1.67**
5	**Financial liabilities (other payables)**		
	SAEL Engineering Private Limited	-	7.28
	SAEL Industries Limited	23.10	48.08
	Chattargarh Renewable Energy Private Limited	11.29	
		34.39	**55.36**
6	**Financial liabilities (capital creditors)**		
	SAEL Industries Limited	560.03	737.63
	SAEL Engineering Private Limited	-	2.67
	Sapphire Agri Warehousing Private Limited	-	22.29
		560.03	**762.59**
7	**Distribution to unrestricted group(net of tax)**		
	SAEL Solar MHP1 Private Limited	-	2,376.73
	SAEL Solar MHP2 Private Limited	-	1,898.40
		-	**4,275.13**
8	**Investment in equity instruments (unquoted)**		
	Chattargarh Renewable Energy Private Limited	-	0.10
		-	**0.10**
9	**Investment on account of compound financials instrument (at amortised cost)(net of tax)**		
	Chattargarh Renewable Energy Private Limited	136.89	136.89
	Sunfree Energy Private Limited	646.42	646.42
		783.31	**783.31**
10	**Co-guarantee given by the restricted group with respect to bonds of restricted group and fellow subsidiaries forming part of unrestricted group**		
	SAEL Limited	18,646.36	17,750.97
	Universal Biomass Energy Private Limited	3,440.43	3,820.01
	Sunfree Paschim Renewable Energy Private Limited	842.36	756.34
	SAEL Kaithal Renewable Energy Private Limited	1,095.39	1,010.32
	SAEL Solar Solutions Private Limited	1,973.37	1,775.05
	Jasrasar Green Power Energy Private Limited	1,375.36	1,264.35
		27,373.27	**26,377.04**

Note: All transactions to/from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are

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42A Details of assets pledged *

The carrying amounts of assets pledged as security for the borrowings are:

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Inventories	1,152.39	1,137.39
Investments	183.44	8.32
Trade receivables	797.06	855.27
Cash and cash equivalents	254.36	688.24
Other bank balances	198.72	-
Loans	8.00	8.00
Other financial assets	201.66	233.34
Other current assets	211.85	261.34
Total	**3,007.48**	**3,191.89**
Non-current		
Property, plant and equipment	13,505.41	15,407.32
Right-of-use assets	245.05	233.69
Capital work-in-progress	56.75	77.30
Investments	783.31	783.31
Loans	2,930.11	2,673.60
Other financial assets	2,243.90	2,017.03
Other non current assets	177.23	190.16
Total	**19,941.77**	**21,382.40**

*** Assets are disclosed above at standalone level without taking impact of Inter-Company eliminations.**

1B Capitalisation of Expenditure

The expenditure incidental to the setting up of the project is included in capital work in progress (CWIP) which is apportioned to the assets on completion of the project and commencement of commercial operations. The Restricted Group has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	-	274.73
Power and Fuel	-	26.41
Bank charges	-	1.02
Employee benefit expense	-	48.16
Repairs & maintenance	-	4.68
Trial run fuel consumption	-	65.29
Rent & hire charges	-	6.38
Rates & taxes	-	1.98
Legal & professional charges	-	0.62
Finance costs*	-	165.72
Depreciation and amortisation expense	-	0.33
Insurance expenses	-	0.57
Travelling and conveyance	-	0.51
Miscellaneous expense	-	45.94
Total	-	**642.34**
Less: transfer to property, plant and equipment	-	(642.34)
Net amount included in capital work in progress	-	-

* the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case NIL (31 March 2025: 9.85% p.a.)

43 Reconciliation of liabilities from financing activities

Particulars (2025-26)	As at 01 April 2025	Cash flows		Non cash changes	As at 31 March 2026
		Additions	Payments		
Non current borrowings (including current maturities)	24,777.04	-	(1,742.89)	2,609.31	25,643.46
Lease liabilities (including current maturities)	216.47	-	(16.10)	43.27	243.65
Current borrowings (net)	1,600.00	133.12	-	-	1,733.12
Interest accrued on borrowings	356.52	-	(2,367.31)	2,360.68	349.89
Total liabilities from financial activities	**26,950.02**	**133.13**	**(4,126.30)**	**5,013.27**	**27,970.11**

Particulars (2024-25)	As at 01 April 2024	Cash flows		Non cash changes	As at 31 March 2025
		Additions	Payments		
Non current borrowings (including current maturities)	15,601.55	25,538.03	(16,562.53)	199.99	24,777.04
Lease liabilities (including current maturities)	266.96	-	(8.05)	(42.44)	216.47
Current borrowings (net)	809.19	790.81	-	-	1,600.00
Interest accrued on borrowings	-	-	(5,147.54)	5,504.06	356.52
Total liabilities from financial activities	**16,677.70**	**26,328.84**	**(21,718.12)**	**5,661.61**	**26,950.02**

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Non-cash investing activities

Particulars	As at 31 March 2026	As at 31 March 2025
Acquisition of Right-of-use assets (net)	21.20	52.86
Total	**21.20**	**52.86**

44 Contingent liabilities and commitments

(A) Contingent liabilities

(i)

Particulars	As at 31 March 2026	As at 31 March 2025
Co-guarantee issued	-	-
Total	-	-

i)The restricted grouph as complied with the relevant provisions of Foreign Exchange Management Act,1999(42 of 1999),Companies Act and the Prevention of Money-Laundering Act, 2002 (15 of 2003).

ii)Refer note 41 for entity wise disclosure of the entities forming the part of the Restricted Group.

In Rs million unless otherwise stated

(ii)

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Restricted Group not acknowledged as debt		
I Disputed demand for*		145.80
(i)Customs duty	12.73	37.30
(ii) Income tax**	**12.73**	**183.10**
Total		

* All the matters above are subject to legal proceedings in the ordinary course of business. The management is confident that its position to be upheld in the appeals pending before various appellate authorities and no liabilities could arise on the Company on account of these proceedings.

**Penalty order has been passed by the AO wherein demand amounting to INR 1,27,26,749 has been raised u/s 271(1)(c).

(iii) One of the Co-issuer in Ristricted Group i.e. UBEPL had signed a Power purchase agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) for the supply of power for a period of 30 years for its power plant of 14.5 MW at agreed tariff rates. As per terms of the PPA, the tariff for UBEPL's project is required to be redetermined upon expiry of its initial tariff period of 13 years in consonance with the prevailing market trend/prices. Upon expiry of 13 years, UBEPL approached Punjab State Electricity Regulatory Commission ("Commission") seeking re-determination of the fixed cost on the basis of the additional capital expenditure incurred by UBEPL towards upgradation in nature of repair and maintenance of its 14.5 MW Biomass Project and re-determination of the variable cost of the Project and seeking certain other relief(s). Pursuant to this, Commission vide its order dated 28 August 2025 approved reduced tariff for the period beyond the expiry of the initial tariff period of 13 years which is applicable from 01 April 2023 and rejected certain relief as sought by UBEPL (the 'Order').

UBEPL has filed a petition before Hon'ble High Court of Punjab and Haryana (Hon'ble High Court) against the said Order of the Commission. Hon'ble High Court has issued its interim order dated 09 March 2026 and has granted stay on the Order till the next hearing date i.e. 21 July 2026.

Accordingly, UBEPL has continued to bill invoices to PSPCL at the earlier tariff rate and have been collecting the amount within due dates during the year ended 31 March 2026. As at 31 March 2026, the differential amount, being the difference in earlier tariff rates and the Order, aggregates to Rs. 399.43 million which pertains to period from 1 April 2023 to 31 March 2026. Accordingly, to this extent, these amounts are subject to the above litigation. Based on the internal assessment supported by the legal assessment, the management believes that they have strong merit for the grounds of appeal and a favourable outcome is expected in this matter. Accordingly, no adjustments have been made in these Special Purpose Combined and Carve out Financial Statements.

B Capital Commitment

Particulars	As at 31 March 26	As at 31 March 25
Estimated amount of contracts remaining to be executed	1.60	-
Total	**1.60**	-

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44A Segment analysis

Board of Directors currently identifies the Restricted Group's into power generation as its operating segments (refer note 2.22). The Restricted Group's Chief Operating Decision Maker (CODM) is its chief executives monitors the performance of this operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

Practical guidance: Ind AS 108 'Operating Segments' requires the amount of each operating segment item to be disclosed using the measures reported to the chief operating decision maker (i.e. based on internal management information).

The Board of Directors of Restricted Group takes decisions in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be the Chief Operating Decision Maker (CODM). The operating segments are based on Restricted Group internal reporting structure and the manner in which operating results are reviewed by the CODM.
The Restricted Group has all its operations in India and engaged in the business of supplying of electricity and other products using solar, fossil and alternate source of energy. Accordingly, the Restricted Group's activities/business is reviewed regularly from an overall business perspective, rather than reviewing its services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Restricted Group, management has identified its business segment as its primary reporting format.

Since Restricted Group operates in India (geographic regions) all non-current assets are on their physical locations in India only.

Information about major customers:

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
	Amount	% of total revenue	Amount	% of total revenue
Punjab State Power Corporation Limited	4,222.21	58%	3,944.99	64%
Rajasthan Urja Vikas Nigam Limited	638.23	9%	97.64	2%
Uttar Pradesh Power Corporation Limited	1,129.28	16%	1,129.28	18%
Haryana Power Purchase Centre	895.85	12%	713.26	12%
	6,885.58	95%	5,885.17	96%

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45 Employee benefits

Defined contribution

Contributions are made to the recognised provident and family pension fund, cover all eligible employees under applicable Acts. The Restricted Group provide for Gratuity for employees as per the Payment of Gratuity Act,1972. Both the employees and the Restricted Restricted Group make pre-determined contributions to the provident fund. The contributions are normally based upon a proportion of the employee's salary. The Restricted Restricted Group has recognized an amount of Rs 13.73 million (31 March 2025: Rs 11.95 million) towards employer's contribution in provident fund and other funds in the statement of profit and loss.

Defined benefit obligation

Provision for gratuity, payable to eligible employees on retirement/separation, is based upon an actuarial valuation as at the balance sheet date. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The obligations are actuarially determined using the 'Projected Unit Credit Method' as at the balance sheet date. Gains/ losses on changes in actuarial assumptions are accounted in Other Comprehensive Income as identified by the management of the Restricted Restricted Group.

Other long term employee benefits

Provision for compensated absences, payable to eligible employees on availment/ retirement/ separation, is based upon an actuarial valuation as at the balance sheet date. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The obligation are actuarially determined using the 'Projected Unit Credit Method' as at the balance sheet date. Gains/ losses on changes in actuarial assumptions are accounted in Other Comprehensive Income.

The following are the amounts recognised in Special Purpose Combined and Carve out Statement of Profit or Loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employer's contribution to Employee's Provident Fund	13.73	11.95
Total	**13.73**	**11.95**

Particulars	Gratuity	
	31 March 2026	31 March 2025
Reconciliation of liability recognised in the Balance sheet:		
Present value of commitments	29.24	23.78
Net liability in the balance sheet	29.24	23.78
Movement in net liability recognised in the Balance sheet:		
Net liability as at the beginning of the year	23.78	27.22
Net amount recognised as expenses in the statement of profit and loss	8.69	9.44
Benefits paid	(0.53)	(0.20)
Remeasurements-actuarial (gains) / losses	(2.70)	(12.68)
Net liability as at the end of the year	**29.24**	**23.78**
Expenses recognised in the statement of profit and loss		
Current service cost	6.96	6.87
Past service cost	-	0.21
Interest cost	1.74	2.36
Expenses charged to the statement of profit and loss	**8.69**	**9.45**
Component of defined benefit cost recognised in other comprehensive income	**(2.70)**	**(12.68)**
Non Current	**26.96**	**22.12**
Current	**2.29**	**1.66**

In Rs. million unless otherwise stated

Particulars	Gratuity	
	31 March 2026	31 March 2025
Reconciliation of defined-benefit commitments:		
Obligations as at the beginning of the year	23.78	27.22
Current service cost	6.96	6.87
Past service cost	-	0.21
Interest cost	1.74	2.36
Benefits paid	(0.53)	(0.20)
Remeasurements- actuarial (gains) / losses	(2.70)	(12.68)
Obligations as at the end of the year	29.24	23.78

Breakup of actuarial (gain) / loss

Particulars	31 March 2026	31 March 2025
Actuarial (gain)/loss on arising from change in financial assumption	(1.97)	(0.22)
Actuarial (gain)/loss on arising from change in demographic assumption	-	(0.75)
Actuarial (gain)/loss on arising from experience adjustment	(0.73)	(11.71)
Total actuarial (gain)/loss	**(2.70)**	**(12.68)**

The actuarial valuation in respect of commitments and expenses relating to unfunded Gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

(a) Economic assumptions

Particulars	31 March 2026	31 March 2025
Discount rate (in %)	7.28%- 7.78%	7.28%
Salary escalation rate (in %)	8.00%	8.00%

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(b) Demographic assumptions

Particulars	31 March 2026	31 March 2025
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (IALM) (2012-14)	Indian Assured Lives Mortality (IALM) (2012-14)

(c) Sensitivity analysis of defined benefit obligation

In Rs. million unless otherwise stated

Particulars	Gratuity	
	31 March 2026	31 March 2025
a) Impact of the change in discount rate		
i) Impact due to increase of 0.50%	(1.72)	(1.47)
ii) Impact due to decrease of 0.50%	1.88	1.61
b) Impact of the change in salary increase		
i) Impact due to increase of 0.50%	1.87	1.60
ii) Impact due to decrease of 0.50%	(1.72)	(1.46)

Sensitivities due to mortality and withdrawals are not material & hence impact of change not calculated

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement

(d) Maturity profile of defined benefit obligation

Particulars	Gratuity	
	31 March 2026	31 March 2025
Less than 1 year	2.58	3.29
Year 1 to 5	4.71	3.54
More than 5 years	21.95	16.95

The contribution expected to be made by the Restricted Group during the next financial year 2026-27 of Rs. 10.49 million (2025-26: Rs. 10.79 million)

(e) Other employment benefits

An actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit method. The amount recognised as an expense towards compensated absences for the year amounts to Rs. 6.70 millions (31 March 2025: 5.81 million gain). As at 31 March 2026, provision for compensated absences amounts to Rs 15.58 millions (31 March 2025: Rs 12.69 million) presented as provision for employee benefits in note 29 - Provisions. Since the Restrcited Group does not have an unconditional right to defer settlement for any of the leave obligations, it disclosed the amount as current liabilities. However, the Restricted Group does not expect that all leave obligations will be settled in the next 12 months

Particulars	Compensated absences	
	31 March 2026	31 March 2025
Present value of obligation as at the end of the year		
Compensated absences	15.58	12.69
Current and non-current liability bifurcation		
Non current	-	-
Current	15.58	12.69

On 21 November, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 ('Labour Codes') - consolidating 29 existing labour laws. The Labour Codes, amongst other things introduce changes, including a uniform definition of wages. However, the provisions currently in force do not have a material impact on the consolidated financial information of the Restricted Group.

The Restricted Group continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Codes and impact estimates will be re-assessed and finalised based on the final Rules, industry practices, etc.

46 i) Ind AS 116 - Leases

The Restricted Group has lease agreements usually for a period of 16- 28 years. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Restricted Group classifies its right-of-use assets in a consistent manner to its land.

Each lease generally imposes a restriction that, unless there is a contractual right for the Restricted Group to sublease the asset to another party, the right-of-use asset can only be used by the Restricted Group. The Restricted Group is prohibited from selling or pledging the underlying leased assets as security. The Rescricted group does not have any low value leases.

Nature of leasing activities

The Restricted Group has entered into lease arrangements for various land that are renewable on a periodic basis with approval of both lessor and lessee.

Set out below are the carrying amounts of right-of-use assets recognized and the movement during the year:

In Rs. million unless otherwise stated

Particular	As at 31 March 2026	As at 31 March 2025
Gross amount		
Opening balance	**249.23**	**301.11**
Addition during the year	21.20	52.86
Disposal/ adjustment	-	104.74
Closing balance	**270.43**	**249.23**
Accumulated depreciation		
Opening balance	**15.54**	**9.26**
Charge during the year	9.84	8.69
Disposal/ adjustment	-	2.41
Closing balance	**25.38**	**15.54**

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The following is the movement in lease liabilities during the year ended 31 March 2026 and 31 March 2025:

Particular	As at 31 March 2026	As at 31 March 2025
Opening balance	216.47	266.95
Additions	21.20	-
Interest on lease liabilities (transferred to capital work in progress)	-	(61.44)
Interest expense accrued on lease liabilities	22.07	19.00
Payment of lease liabilities	(16.10)	(8.05)
Closing balance	**243.64**	**216.47**

The following is the break-up of current and non-current lease liabilities as of 31 March 2026 and 31 March 2025:

Particular	For the period ended 31 March 2026	For the period ended 31 March 2025
Non-current lease liabilities	242.54	215.39
Current lease liabilities	1.10	1.08
Total	**243.64**	**216.47**

The following are the amounts recognised in profit or loss:

Particular	For the period ended 31 March 2026	For the period ended 31 March 2025
Depreciation expense of right-of-use asset (refer note 36)	9.84	1.03
Interest expense on lease liabilities (refer note 35)	22.08	0.70
Expense relating to short-term leases (refer note 37)	11.73	62.60
Total amount recognised in profit or loss	**43.65**	**64.32**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2026 and 31 March 2025 on an undiscounted basis:

Particular	As at 31 March 2026	As at 31 March 2025
Less than one year	25.06	14.41
One to five years	108.93	99.96
More than five years	931.16	866.48
Total	**1,065.15**	**980.85**

The table below describes the nature of Restricted Group's leasing activities by type of right-of-use asset recognised in the Special Purpose Combined and Carve Out Balance Sheet.

Right-of-use assets	Range of remaining term(in periods)	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Land 31 March 2026	27.00	27.00	-	-
Land - 31 March 2025	28.00	28.00	-	-

47 (i) Additional regulatory disclosures

a) The Restricted Group has not been declared as wilful defaulter by any bank or financial institution or any other lender.

b) The Restricted Group does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies, beyond the statutory period prescribed under the Companies Act, 2013 and the rules made thereunder.

c) The Restricted Group has not entered into any transaction which has not been recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

d) The Restricted Group has not traded or invested in crypto currency or virtual currency during the year.

e) The Restricted Group does not have any Benami property and further, no proceedings have been initiated or are pending against the Restricted Group, in this regard.

f) The Restricted Group has not entered into any transactions with struck off companies, as defined under the Companies Act, 2013 and rules made thereunder.

g) The entities in the Restricted Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

h) The Restricted Group has been sanctioned a working capital limit by banks on the basis of security of current assets. Pursuant to the terms of the sanction letters, the Restricted Group is required to file quarterly return or statement with such banks amd such statements are in agreement with the books of accounts.

(i) The Restricted Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Restricted Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(j) The Restricted Group has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Restricted Group shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Restricted Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) As at the Balance Sheet date, the current liabilities of the Restricted Group exceed its current assets by Rs. 2,542.31 million (31 March 2025: Rs 1,461.77 million). Considering the future business projections and support from Ultimate Holding Company and its promoters, the management believes that the Restricted Group will be able to realize its assets and will be able to meet its liabilities at the amounts stated in books and commitments in the normal course of business. Accordingly, the Restricted Group has prepared these financial statements on a going concern basis.

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48 (a) Details for funds received and loaned as intermediary

(i) Funds received from entity (Funding Party):

Funding Party	Date	31-Mar-26	31 March 2025
7.8% Senior Secured Notes Maturing 2031 (Various Investors)	Multiple dates	-	25,538
		-	25,538

(ii) Fund advanced to intermediary entity for onward lending to other entities on behalf of the Funding Party:

31 March 2025

Name of the intermediary to which the loans are given	Date on which loans given to Intermediary	Amount of funds loaned	Date on which funds are further loan by Intermediaries to other entities	Amount of funds are further loan by Intermediaries to other entities	Name of the other entities
SAEL Solar MHP1 Private Limited	01 August 2024	4,220.00	-	-	-
SAEL Solar MHP2 Private Limited		3,370.70			
Sunfree Energy Private Limited		992.60			
		8,583.30	-	-	-

49 Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Restricted Group has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2026, the Restricted Group has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes on account of storage space constraint and impacting database performance significantly. Further there is no instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

50 Other Information

During the year ended 31 March 2026, from 15 December 2025 to 21 December 2025, the Income Tax Department ("IT Department") has conducted a search and seizure operation under Section 132 of the Income Tax Act, 1961, at certain offices and manufacturing units of the Restricted Group and the residences of selected key managerial personnel of the Restricted Group.

During the search and seizure proceedings, the Restricted Group has fully cooperated, provided the required information and responses to the IT Department. As a part of search and seizure operation, the IT department has cloned electronic books of accounts, laptops, data backups and seized certain documents, cash and other materials for further investigation. The business and operations of the Restricted Group continued without any disruptions, and customer commitments were met during this period. The Restricted Group has not yet received any written order/ notice/ communication as the findings of such investigation from the IT department and accordingly there have been no demands which have been raised on the Restricted Group as of date. Based on the foregoing and having regard to the matters of the inquiry during the search proceedings stated above, management is of the view that no material adjustments are required to the Special Purpose Combined and Carved Out Financial Statement for the year ended 31 March 2026 in this regard.

51 Subsequent event

The Restricted Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the special purpose combined and carve out financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the special purpose combined and carve out financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Digitally signed by Tarun Gupta
Date: 2026.07.29 20:47:57 +05'30'

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 29 July 2026

For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 017648N

GAGAN DEEP SINGHAL
Digitally signed by GAGAN DEEP SINGHAL
Date: 2026.07.29 18:40:04 +05'30'

Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 29 July 2026

For and on behalf of the Restricted Group

JASBIR SINGH
Digitally signed by JASBIR SINGH
Date: 2026.07.29 17:45:36 +05'30'

Jasbir Singh
Managing Director
DIN No- 01668231

Place: New Delhi
Date: 29 July 2026

DUSHYANT KUMAR
Digitally signed by DUSHYANT KUMAR
Date: 2026.07.29 18:58:09 +05'30'

Dushyant Kumar
Chief Financial Officer

Place: New Delhi
Date: 29 July 2026

SUKHBIR SINGH
Digitally signed by SUKHBIR SINGH
Date: 2026.07.29 17:43:44 +05'30'

Sukhbir Singh
Director
DIN No - 01785240

Place: New Delhi
Date: 29 July 2026

VISHAL GARG
Digitally signed by VISHAL GARG
Date: 2026.07.29 17:43:21 +05'30'

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 29 July 2026