Walker Chandiok & Co LLP
Chartered Accountants
21st Floor, DLF Square, Jacaranda Marg,
DLF Phase II, Gurugram 122002

Anil Sood & Associates
Chartered Accountants
Malwai Road, Ferozepur City
Punjab 152002, India

**Independent Auditor's Report on Special Purpose Financial Statements for the year ended 31 March 2024**

**To the Board of Directors of SAEL Solar Mfg. Private Limited**

**Opinion**

1. We have audited the accompanying Special Purpose Financial Statements of SAEL Solar Mfg. Private Limited ('the Company'), which comprise the Special Purpose Balance Sheet as at 31 March 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Cash Flows and the Special Purpose Statement of Changes in Equity for the year then ended, and notes to the Special Purpose Financial Statements, including a material accounting policy information and other explanatory information (together hereinafter referred to as 'Special Purpose Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements**

4. The accompanying Special Purpose Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the Special Purpose Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they



WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

ANIL SOOD & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 004985N FEROZEPUR CITY

could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

8. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

   - Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

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

**Other matter**

10. The Company had also prepared a separate set of financial statements for the year ended 31 March 2024 in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India which had been jointly audited by Varinder Mohan Singhal & Associates, Chartered Accountants and Walker Chandiok & Co LLP, Chartered Accountants and had expressed an unmodified opinion on those financial statements vide audit report dated 22 May 2024 to the members of the Company. Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

ANIL SOOD & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN : 004985N FEROZEPUR CITY

**Restriction on Use**

11. These Special Purpose Financial Statements have been prepared by the Company's management solely for the purpose of for the purpose of preparation of Special Purpose Consolidated Financial Statements of SAEL Industries Limited ('the Ultimate Holding Company') and its subsidiaries (the Ultimate Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2024, which in turn will be required for the purpose of preparation of Restated Consolidated Financial Information of the Group for the year ended 31 March 2024, to be included in the Draft Red Herring Prospectus ('DRHP'), which is to be filed by the Company with Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed Initial Public Offer of equity shares of the Ultimate Holding Company. Therefore, these Special Purpose Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose and accordingly, should not be used or referred to for any other purpose without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of this matter.

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

**Tarun Gupta**
Partner
Membership No.: 507892

**UDIN:** 25507892BMNSSN8878

**Place:** New Delhi
**Date:** 14 October 2025

For **Anil Sood & Associates**
Chartered Accountants
Firm's Registration No.: 004985N

**Varinder Mohan Singhal**
Partner
Membership No.: 088286

**UDIN:** 25088286BMJKUA2893

**Place:** New Delhi
**Date:** 14 October 2025

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Special Purpose Balance Sheet for the year ended on 31 March 2024**

In Rs. millions unless otherwise stated

| Particulars | Notes | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non current assets** | | | |
| Property, plant and equipment | 3 | 599.59 | 403.94 |
| Capital work-in-progress | 4 | 8.71 | - |
| Right-of-use assets | 3 | - | 5.54 |
| Financial assets | | | |
| Other financial assets | 5 | 1.71 | 1.71 |
| Deferred tax assets (net) | 6 | - | 11.02 |
| Non-current tax assets (net) | 7 | 0.13 | 0.02 |
| Other non current assets | 8 | 18.79 | 3.53 |
| **Total non current assets** | | **628.93** | **425.76** |
| **Current assets** | | | |
| Inventories | 9 | 126.59 | 52.16 |
| Financial assets | | | |
| Trade receivables | 10 | 672.29 | - |
| Cash and cash equivalents | 11 | 4.43 | 103.35 |
| Bank balances other than cash and cash equivalents | 12 | 0.03 | - |
| Other financial assets | 13 | 42.60 | 0.06 |
| Other current assets | 14 | 49.35 | 138.62 |
| **Total current assets** | | **895.29** | **294.19** |
| **Total assets** | | **1,524.22** | **719.95** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 15 | 50.10 | 50.10 |
| Other equity | 16 | 292.69 | 168.66 |
| | | **342.79** | **218.76** |
| **Liabilities** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 530.41 | - |
| Lease liabilities | 18 | - | 5.51 |
| Provisions | 19 | 1.27 | 0.93 |
| Deferred tax liabilities (net) | 6 | 56.14 | - |
| **Total non current liabilities** | | **587.82** | **6.44** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 20 | 570.84 | 87.99 |
| Lease liabilities | 18 | - | 0.03 |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21 | 13.96 | 0.57 |
| Other financial liabilities | 22 | 7.30 | 309.70 |
| Other current liabilities | 23 | 0.40 | 96.03 |
| Provisions | 24 | 1.11 | 0.43 |
| **Total current liabilities** | | **593.61** | **494.75** |
| **Total equity and liabilities** | | **1,524.22** | **719.95** |
| Summary of material accounting policies | 2 | | |

The accompanying notes are an integral part of the special purpose financial statements

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

**Tarun Gupta**
Partner
Membership no. 507892

**Place:** New Delhi
**Date:** 14 October 2025

**For Anil Sood & Associates**
Chartered Accountants
Firm's Registration no.: 004985N

**Varinder Mohan Singhal**
Partner
Membership no. 088286

**Place:** New Delhi
**Date:** 14 October 2025

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

**Jasbir Singh**
Director
DIN no- 01668231

**Palki Awla**
Additional Director
DIN no - 03626185

**Place:** New Delhi
**Date:** 14 October 2025

**Place:** New Delhi
**Date:** 14 October 2025

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Special Purpose Statement of Profit and Loss for the year ended 31 March 2024**

**In Rs. millions unless otherwise stated**

| Particulars | | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 25 | 927.01 | 31.23 |
| Other income | 26 | 3.75 | 0.26 |
| **Total revenue** | | **930.76** | **31.49** |
| **Expenses** | | | |
| Cost of materials consumed | 27 | 849.10 | 61.50 |
| Change in inventories of finished goods and work-in-progress | 28 | (47.78) | (26.23) |
| Employee benefits expense | 29 | 38.05 | 4.70 |
| Finance costs | 30 | 85.98 | 0.11 |
| Depreciation expenses | 31 | 67.15 | 20.27 |
| Other expenses | 32 | 37.47 | 13.50 |
| **Total expense** | | **1,029.97** | **73.85** |
| **Loss before tax** | | **(99.21)** | **(42.36)** |
| **Tax expense** | | | |
| Deferred tax benefit | 6 | (8.37) | (11.02) |
| **Total tax benefit** | | **(8.37)** | **(11.02)** |
| **Loss for the year** | | **(90.84)** | **(31.34)** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurements of defined benefit plans | | 0.41 | - |
| Income tax | | (0.14) | - |
| **Other comprehensive income** | | **0.27** | **-** |
| **Total comprehensive loss** | | **(90.57)** | **(31.34)** |
| **Loss per share** | 36 | | |
| Basic loss per share | | (18.13) | (884.52) |
| Diluted loss per share | | (18.13) | (884.52) |
| Summary of material accounting policies | 2 | | |

The accompanying notes are an integral part of the special purpose financial statements

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

**Tarun Gupta**
Partner
Membership no. 507892

**Place:** New Delhi
Date: 14 October 2025

**For Anil Sood & Associates**
Chartered Accountants
Firm's Registration no.: 004985N

**Varinder Mohan Singhal**
Partner
Membership no. 088286

**Place:** New Delhi
Date: 14 October 2025

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

**Jasbir Singh**
Director
DIN no- 01668231

**Place:** New Delhi
Date: 14 October 2025

**Palki Awla**
Additional Director
DIN no - 03626185

**Place:** New Delhi
Date: 14 October 2025

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Special Purpose Statement of Cash Flows for the year ended on 31 March 2024**

In Rs. millions unless otherwise stated

| Particulars | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|
| **A CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss before tax | (99.21) | (42.36) |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 67.15 | 20.27 |
| Finance costs | 85.98 | 0.11 |
| Interest income on bank deposits | (0.39) | - |
| **Operating profit before working capital changes** | **53.53** | **(21.98)** |
| **Movement in working capital** | | |
| Increase in trade receivables | (672.29) | - |
| Decrease/(Increase) in inventories | (74.42) | 17.40 |
| Decrease/(Increase) in other current and non-current financial assets | (42.53) | 326.96 |
| Decrease/ (Increase) in other current and non-current assets | 89.28 | (133.46) |
| Increase in trade payables | 13.38 | 0.24 |
| Increase/ (decrease) in other current and non-current financial liabilities | (302.90) | 19.45 |
| Increase in provisions | 1.42 | 0.21 |
| Decrease/ Increase in other current and non-current liabilities | (101.14) | 96.03 |
| **Cash flows generated from operating activities post working capital changes** | **(1,035.67)** | **304.85** |
| Income tax paid (net) | (0.11) | (0.02) |
| **Net cash generated from operating activities (A)** | **(1,035.78)** | **304.83** |
| **B CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Payment made for property, plant and equipment (including capital work-in-progress, capital creditors and capital advances) | (280.73) | (289.57) |
| Interest received | 0.39 | - |
| Fixed deposits made during the year | (0.03) | - |
| **Net cash used in investing activities (B)** | **(280.37)** | **(289.57)** |
| **C CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of shares | - | 0.10 |
| Proceeds from Non current borrowings | 772.90 | - |
| Proceeds from/ repayment of current borrowing (net) | 482.85 | 87.99 |
| Finance costs paid | (38.52) | (0.00) |
| **Net cash generated from financing activities (C)** | **1,217.23** | **88.09** |
| Increase in cash and cash equivalents (A+B+C) | (98.92) | 103.35 |
| Cash and cash equivalents at the beginning of the period | 103.35 | - |
| Cash and cash equivalents acquired under asset acquisition | - | - |
| Cash and cash equivalents at the end of the period | 4.43 | 103.35 |

Summary of material accounting policies 2
The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

**Tarun Gupta**
**Partner**
Membership no. 507892

**Place:** New Delhi
**Date:** 14 October 2025

**For Anil Sood & Associates**
Chartered Accountants
Firm's Registration no.: 004985N

**Varinder Mohan Singhal**
Partner
Membership no. 088286

**Place:** New Delhi
**Date:** 14 October 2025

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

**Jasbir Singh**
Director
DIN no- 01668231

**Place:** New Delhi
**Date:** 14 October 2025

**Palki Awla**
Additional Director
DIN no - 03626185

**Place:** New Delhi
**Date:** 14 October 2025

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Special Purpose Statement of Changes in Equity for the year ended on 31 March 2024**

**A Equity share capital**

**In Rs. millions unless otherwise stated**

| Particulars | Balance as at 04 March 2022 | Issue of equity share capital during the period | Balance as at 31 March 2023 | Issue of equity share capital during the period | Balance as at 31 March 2024 |
|---|---|---|---|---|---|
| Equity share capital | - | 50.10 | 50.10 | - | 50.10 |

**B Other equity**

**In Rs. millions unless otherwise stated**

| Particulars | Reserve and surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Retained earnings | Contribution from Holding Company (net of tax) | |
| **Balance as at 04 March 2022** | - | - | - | - |
| Issued during the period | 200.00 | - | - | 200.00 |
| Loss for the period | - | (31.34) | - | (31.34) |
| **Balance as at 31 March 2023** | **200.00** | **(31.34)** | **-** | **168.66** |
| Contribution during the period (refer note 16) | - | - | 214.60 | 214.60 |
| Loss for the year | - | (90.84) | - | (90.84) |
| Other comprehensive income | - | 0.27 | - | 0.27 |
| **Balance as at 31 March 2024** | **200.00** | **(121.91)** | **214.60** | **292.69** |

Summary of mateiral accounting policies 2
The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

**Tarun Gupta**
Partner
Membership no. 507892

**Place:** New Delhi
**Date:** 14 October 2025

**For Anil Sood & Associates**
Chartered Accountants
Firm's Registration no.: 004985N

**Varinder Mohan Singhal**
Partner
Membership no. 088286

**Place:** New Delhi
**Date:** 14 October 2025

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

**Jasbir Singh**
Director
DIN no- 01668231

**Place:** New Delhi
**Date:** 14 October 2025

**Palki Awla**
Additional Director
DIN no - 03626185

**Place:** New Delhi
**Date:** 14 October 2025

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Notes to Special Purpose Financial Statements for the year ended 31 March 2024**

**1 i) Corporate information**

The Company SAEL Solar Mfg. Private Limited has been incorporated as of 04 March 2022 under the Companies Act, 2013. The Company is domiciled in India with its registered office situated at Faridkot Road, Guruharsahai, Distt. Ferozepur, Punjab. The Company are domiciled in India primarily involved manufacturing and sale of solar modules and The Company has its Manufacturing plant having a total capacity of 150 MW at Distt. Ferozepur, Punjab.

The special purpose financial statements have been authorised for issue by the Board of Directors on 14 October 2025

**ii) Amended Accounting Standards (Ind AS) and interpretations effective during the year**

- Ind AS 12 Income Taxes: The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and special purpose financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax assets/liabilities on gross basis.
- Ind AS 1 Presentation of special purpose Financial Statements: The amendments require to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance to determine whether the policy is material or not.
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates have now been included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

The Company has adopted these amendments effective from 1 April 2023, and the adoption did not have any material impact on the special purpose Financial Statements.

**2 Material accounting policies information**

**2.01 Basis of preparation**

These Special Purpose Financial Statements of SAEL Solar Mfg.Private Limited('the Company') comprising of Special Purpose Balance Sheet as at 31 March 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Cash Flows and the Special Purpose Statement of Changes in Equity for the year then ended, and notes to the Special Purpose Financial Statements including a material accounting policy information and other explanatory information (together hereinafter referred to as the 'Special Purpose Financial Statements'), which have been prepared by Company's management solely for the purpose of preparation of Special Purpose Consolidated Financial Statements of SAEL Industries Limited ('the Ultimate Holding Company') and its subsidiaries (the Ultimate Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2024, which in turn will be required for the purpose of preparation of Restated Consolidated Financial Information of the Group for the year ended 31 March 2024, to be included in the Draft Red Herring Prospectus ('DRHP'), which is to be filed by the Company with the Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, read with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed initial public offer of the equity shares of the Ultimate Holding Company.

These Special Purpose Financial Statements have been prepared as per the accounting principles of Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India. These Special Purpose Financial Statements contains a complete set of financial statement as described in Ind AS 1 'Presentation of Financial Statement' and Schedule III of the Companies Act, 2013.

These Special Purpose Financial Statements were authorized by Board of Directors for issue on 14 October 2025.

**Historical cost convention**

The special purpose financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.

**2.02 Use of estimates**

The preparation of special purpose financial statement 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.

**2.03 Foreign currency translation**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All exchange differences, except those relating to long-term monetary foreign currency items, are dealt with in the special purpose Statement of Profit and Loss.

**2.04 Revenue**

**A) Sale of solar modules**

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 company expects to be entitle in exchange for those goods or services. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**B) Other Income**

The other Income comprises the interest income- i.e the interest income on bank balances and bank deposits.

Foreign currency fluctuation gain- Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the special purpose statement of profit and loss.

Miscellaneous income, as arised in the ordinary course of the business of the company which includes rebates or discount, and other indirect incomes.

**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.

WALIA ANIL & CO. LLP CHARTERED ACCOUNTANTS
ANIL SOOD & ASSOCIATES FRN : 004985N FEROZEPUR CITY CHARTERED ACCOUNTANTS
SAEL SOLAR MFG. PRIVATE LIMITED

**2.06 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 Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in special purpose statement of Profit and Loss as incurred.

Based on technical assessment made by technical expert and management estimate, the Company 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.

**Depreciation on assets provided as follows:-**

**Estimated useful life**

| Asset category | Estimated useful life (in years) |
|---|---|
| Buildings | 30 |
| Plant and equipments | 15 |
| Furniture and fittings | 10 |
| Office equipments | 5 |
| Computers | 3 |
| Vehicles | 10 |

**Method of depreciation**

- Depreciation is provided on written down method (WDV) for all class of assets of the Company.

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

**2.07 Leased assets and right of use**

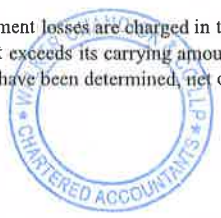
The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.
To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:
- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.
At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.
At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.
Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.
When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.
The Company has presented the right-of-use assets and lease liabilities on the face of statement of financial position.
The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.
During the year, company has completed its short-term lease and the corresponding Right to use(ROU) asset has also been written off.

**2.07 Impairment of non-financial assets**

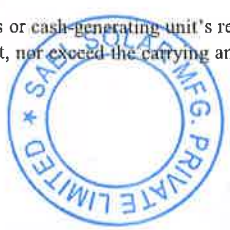
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating 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 Company'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 special purpose 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.







**2.09 Financial instruments**

**Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Company 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 statement of Profit and Loss.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company 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 Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company 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 Company 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 Company 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.

**(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 or 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 or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

**(4) Financial liability**

The Company'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 for derivatives and 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.

**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.

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**2.10 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification.

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in it settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

**2.11 Income taxes**

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

**Current tax**

Current tax comprises the expected tax payable on the taxable income for the year. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria is met. Current Income tax related to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity as the case may be.

**Deferred tax**

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

A deferred tax asset is recognised for unused tax losses, unabsorbed depreciation, deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A deferred tax liability is recognised in respect of taxable temporary differences.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss either in comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**2.12 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.

**2.13 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 Company 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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**2.14 Inventories**

Raw materials, Stores, Spares and Other Packing Materials are valued as follows:
Lower of cost and net realizable value. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on weighted average cost basis.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on a weighted average basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.15 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, pension, 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 balance sheet.

**Post-employment benefits plans**

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

**Defined contribution plans**

The Company pays fixed contribution into independent entities in relation to several state plans and insurances for individual employees. The Company 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 Company'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 company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

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 less the fair value of plan assets.

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 Company'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 Profit and Loss. Gains and losses resulting from re-measurements of the net defined benefit liability are included in other comprehensive income.

**Other long-term employee benefits**

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 Company'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. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the special purpose 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 Company 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..

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**2.16 Material management judgement in applying accounting policies**

When preparing the special purpose financial statement, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**Income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. 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 Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**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.

**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.

**2.17 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the special purpose Financial Statements is required to be disclosed.

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## 3 Property, plant and equipment

Details of company's property, plant and equipment and their carrying amounts are as follows:

In Rs. millions unless otherwise stated

| Particulars | Freehold land^ | Buildings | Plant and equipments | Furniture and fittings | Office equipments | Computers | Vehicle | Total | Right of use asset-Land |
|---|---|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | | | |
| **Balance as at 04 March 2022** | - | - | - | - | - | - | - | - | - |
| Addition through asset acquisition (refer note 41) | - | - | - | 0.98 | 0.10 | 0.01 | 0.05 | **1.14** | |
| Addition during the period | - | 138.38 | 281.96 | 0.68 | 1.34 | 0.65 | - | **423.02** | 5.60 |
| Disposal | - | - | - | | - | | | - | |
| **Balance as at 31 March 2023** | - | **138.38** | **281.96** | **1.66** | **1.45** | **0.65** | **0.05** | **424.16** | **5.60** |
| Addition during the year | 120.79 | 8.69 | 128.19 | 0.65 | 3.58 | 0.86 | - | **262.76** | - |
| Disposal | - | - | - | | - | | | - | 5.60 |
| **Balance as at 31 March 2024** | **120.79** | **147.07** | **410.15** | **2.31** | **5.03** | **1.51** | **0.05** | **686.91** | - |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at 04 March 2022** | - | - | - | - | - | - | - | - | - |
| Charge during the year | - | 4.05 | 15.84 | 0.16 | 0.06 | 0.10 | 0.01 | **20.23** | 0.04 |
| Disposal | - | - | - | | - | - | - | - | - |
| **Balance as at 31 March 2023** | - | **4.05** | **15.84** | **0.16** | **0.06** | **0.10** | **0.01** | **20.23** | **0.04** |
| Charge during the year | - | 13.10 | 51.15 | 0.47 | 1.67 | 0.70 | 0.01 | **67.09** | 0.06 |
| Disposal | - | - | - | | - | | | - | **0.10** |
| **Balance as at 31 March 2024** | - | **17.15** | **66.99** | **0.63** | **1.73** | **0.80** | **0.02** | **87.32** | - |
| **Net block** | | | | | | | | | |
| **Balance as at 31 March 2023** | - | **134.33** | **266.12** | **1.50** | **1.39** | **0.55** | **0.04** | **403.94** | **5.54** |
| **Balance as at 31 March 2024** | **120.79** | **129.92** | **343.16** | **1.68** | **3.30** | **0.01** | **0.03** | **599.59** | - |

Refer note 37 for details of assets pledged.
^ The title deeds of all the freehold land are in the name of the Company and are pledged with the lender.

## 4 CAPITAL WORK-IN-PROGRESS

In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Capital work-in-progress | | |
| Opening balance | - | - |
| Addition during the period | 8.71 | 287.89 |
| Addition through asset acquisition (refer note 41) | - | 135.12 |
| Transfer to property, plant and equipment* | - | (423.02) |
| **Total Capital work-in-progress** | **8.70** | - |

**Capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows**

| Particulars | 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 2024 | 8.70 | - | - | - | **8.70** |
| Project in progress as of 31 March 2023 | - | - | - | - | - |

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In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **5 Other financial assets - non current** | | |
| Security deposits | 1.71 | 1.71 |
| | **1.71** | **1.71** |
| **6 Deferred tax assets/liabilities (net)** | | |
| **Deferred tax assets arising on:** | | |
| Unabsorbed depreciation and business losses | 63.30 | 29.32 |
| Employee benefits | 0.62 | 0.35 |
| **Deferred tax liabilities arising on:** | | |
| Lease liabilities | - | 0.00 |
| Compound financial instruments | (75.39) | - |
| Property, plant and equipment | (44.67) | (18.65) |
| | **(56.14)** | **11.02** |

| Particulars (2023-24) | Balance as at 31 March 2023 | Recognise through other equity | (Expenses)/ benefit recognised in statement of profit and loss | Recognised in other comprehensive income/ other equity | As at 31 March 2024 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Unabsorbed depreciation | 29.32 | - | 33.98 | - | 63.30 |
| Employee benefits | 0.35 | - | 0.26 | - | 0.62 |
| **Liabilities** | | | | | |
| Lease liabilities | 0.00 | - | (0.00) | - | - |
| Compound financial instruments | - | (75.40) | - | - | (75.40) |
| Property, plant and equipment | (18.65) | - | (26.02) | - | (44.67) |
| **Total** | **11.03** | **(75.40)** | **8.22** | **-** | **(56.15)** |

| Particulars (2022-23) | As at 04 March 2022 | (Expenses)/ benefit recognised in statement of profit and loss | Recognised in other comprehensive income/ other equity | Balance as at 31 March 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Unabsorbed depreciation and business losses | - | 29.32 | - | 29.32 |
| Employee benefits | - | 0.35 | - | 0.35 |
| **Liabilities** | | | | |
| Lease liabilities | - | 0.00 | - | 0.00 |
| Property, plant and equipment | - | (18.65) | - | (18.65) |
| **Total** | **-** | **11.02** | **-** | **11.02** |

**Effective tax reconciliation**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Loss before tax | (99.22) | (42.36) |
| Applicable tax rate* | 26.00% | 26.00% |
| **Expected tax expense [A]** | **(25.80)** | **(11.00)** |
| Expenses not considered in determining taxable profit | 12.35 | - |
| Others | 5.07 | (0.00) |
| **Total adjustments [B]** | **17.42** | **(0.00)** |
| **Actual tax expense [C=A+B]** | **(8.38)** | **(11.02)** |
| Total tax incidence | (8.37) | (11.02) |
| **Tax expense recognized in statement of profit and loss [D]** | **(8.37)** | **(11.02)** |

The applicable tax rate is the domestic tax rate applicable to the Company - 31 March 2024: 26.00%

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legistive Department) which is effective 1 April 2019, domestic companies have the option to pay corporate income tax at a concessional tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax credit and certain other concessional tax rate benefits enjoyed presently by the Company as per Sec 115BAA of the Income Tax Act, 1961.

During the current period, the Company has reviewed the implications of Ordinance on its tax liability for the year and has not opted the concessional tax rate of 25.17%. The Company has filed its income tax return for Financial Year 2022-23 (AY 2023-24) under old tax regime by not opting concessional tax regime as per Sec 115BAA of the Income Tax Act, 1961.

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In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **7 Non-current tax assets (net)** | | |
| Advance income tax (net of provision) | 0.13 | 0.02 |
| | **0.13** | **0.02** |
| **8 Other non current assets** | | |
| Capital advances | 18.79 | 3.53 |
| | **18.79** | **3.53** |
| **9 Inventories** | | |
| Raw materials and components | 52.57 | 25.82 |
| Packing materials | - | 0.10 |
| Work in progress | 21.07 | 12.36 |
| Finished goods | 52.95 | 13.86 |
| | **126.59** | **52.16** |
| **10 Trade receivables** | | |
| Considered good | 672.29 | - |
| Considered doubtful | - | - |
| | 672.29 | - |
| Less:- Allowance for doubtful receivables | - | - |
| | **672.29** | **-** |

Notes
Refer note 37 for information on assets under charges.
Refer note 33 for exposure the credit risk, loss allowance and aging analysis related to trade receivable.

Trade receivable ageing schedule as at 31 March 2024

| 31 March 2024 | Outstanding for following periods from the due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | 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 | | | | | | | | |
| Considered good | - | - | 662.56 | 9.74 | - | - | - | **672.29** |
| Credit impaired | - | - | - | - | - | - | - | - |
| Disputed trade receivable | | | | | | | | |
| Considered good | - | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - | - |
| | **-** | **-** | **662.56** | **9.74** | **-** | **-** | **-** | **672.29** |

| | | |
|---|---|---|
| **11 Cash and cash equivalents** | | |
| Cash in hand | 0.33 | 0.00 |
| Balances with bank - current accounts | 0.10 | 103.34 |
| Bank deposits with original maturity of less than three months | 4.00 | - |
| | **4.44** | **103.35** |
| **12 Bank balances other than cash and cash equivalents** | | |
| Bank deposits with original maturity of more than three months but less than 12 months | 0.02 | - |
| | **0.02** | **-** |
| **13 Other financial assets** | | |
| Security deposits | 0.26 | 0.06 |
| Other receivables | 42.34 | - |
| | **42.60** | **0.06** |
| **14 Other current assets** | | |
| Deposits with government authorities | 35.26 | 51.84 |
| Prepaid expenses | 1.80 | - |
| Advance to vendor | 12.08 | 86.19 |
| Other assets | 0.21 | 0.57 |
| | **49.35** | **138.62** |

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## 15 Equity share capital

The special purpose financial statements represent a legal entity structure. The share capital of the Company as below.

In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of shares | Amount |
| Authorised | 10,000,000 | 100.00 | 10,000,000 | 100.00 |
| Issued and subscribed and fully paid up | 5,010,000 | 50.10 | 5,010,000 | 50.10 |
| **Total** | **5,010,000** | **50.10** | **5,010,000** | **50.10** |

***FV of Equity Share is Rs.10/- each**

### 1. Reconciliation of equity share capital outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the period/year | 5,010,000 | 50.10 | - | - |
| Issued during the period/year | - | - | 5,010,000 | 50.10 |
| Outstanding at the end of the period/year | 5,010,000 | 50.10 | 5,010,000 | 50.10 |

### 2. Shares held by Holding Company

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| SAEL Limited* | 5,010,000 | 50.10 | 5,010,000 | 50.10 |

*including share held by nominee shareholder

### 3 Number of Shares held by each shareholders holding more than 5% shares in the company

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| SAEL Limited | 5,009,999 | 99.99 | 5,009,999 | 99.99 |
| Jasbir Singh (Nominee of SAEL Limited) | 1 | 0.01 | 1.00 | 0.01 |
| Outstanding at the end of the year | 5,010,000 | 100.00 | 5,010,000.00 | 100.00 |

### 4. Disclosure of shareholdings of promoters as follows

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number of Shares | % Holding | Number of Shares | % Holding |
| SAEL Limited | 5,009,999 | 99.99 | 5,009,999 | 99.99 |
| Jasbir Singh (Nominee of SAEL Limited) | 1 | 0.01 | 1 | 0.01 |
| **Total** | **5,010,000** | **100.00** | **5,010,000** | **100.00** |

### 5. Terms/rights attached to equity shares

The Company have only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the comapny will pay dividends in Indian rupees.

In the event of liquidation of Company, the holders of equity shares of such company will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Company.

### 6. Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years for each class of shares.

The Company has not issued any shares pursuant to a contract without payment being received in cash, allotted as fully paid up by way of bonus shares nor has there been any buy-back of shares in the current year and immediately preceding five years.

During the previous year, the Company has issued 5,000,000 equity shares at face value Rs 10/- per share and security premium of Rs 40/- per share to SAEL Limited in lieu of the consideration for acquisition of assets (refer note 41).

*(This space has been intentionally left blank)*









In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **16 Other equity** | | |
| **Securities premium** | | |
| Opening balance | 200.00 | - |
| Addition during the year/ period | - | 200.00 |
| **Balances at the end of the year/ period** | **200.00** | **200.00** |
| **Retained earnings** | | |
| Opening balance | (31.34) | |
| Net loss during the year/ period | (90.84) | (31.34) |
| Remeasurement of post-employment benefit obligation during the year/ period | 0.27 | - |
| Tax effect on remeasurement during the year/ period | - | - |
| **Balances at the end of the year/ period** | **(121.91)** | **(31.34)** |
| **Contribution from Holding Company (net of tax)** | | |
| Opening balance | - | - |
| Movement during the year/ period | 214.60 | - |
| **Balances at the end of the year/ period** | **214.60** | **-** |
| **Total other equity** | **292.69** | **168.66** |

**Securities premium**
Securities premium reserve represents premium received on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**
All the profits or losses made by the company are transferred to retained earnings from special purpose statement of profit and loss.

**Contribution from Holding Company**
Contribution from the Holding Company represents the excess of the discounted value of the interest-free borrowings obtained by the Company from its Holding Company (refer note 17)

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In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **17 Borrowings** | | |
| **Unsecured** | | |
| Loan from related party* | 530.41 | - |
| | **530.41** | - |

* Refer note 34 for related party.

#During the year, the Company has obtained non-current borrowings from its Holding company amounting to Rs. 530.00 millions (31 March 2023: Rs. Nil ) and from its ultimate holding company amounting to INR Rs. 235.00 millions (31 March 2023: Rs. Nil ) which is repayable after the expiry of 5 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 a "Contribution from the Holding Company".

| | | |
|---|---|---|
| **18 Lease liabilities*** | | |
| Non current | - | 5.51 |
| Current | - | 0.04 |
| | - | **5.54** |
| ***Lease liabilities movement** | | |
| Opening balance | 5.53 | - |
| Addition during the year | - | 5.60 |
| Add: Interest on lease liabilities (transferred to capital work in progress) | - | - |
| Add: Interest expense accrued on lease liabilities | 0.16 | 0.11 |
| Less: lease liabilities paid | - | (0.17) |
| Less: Transfer to Property, plant and Equipment (land) | (5.70) | - |
| **Closing balance** | - | **5.53** |
| **19 Provisions (non-current)** | | |
| **Provision for employee benefits** | | |
| Provision for gratuity (refer note 35) | 1.27 | 0.93 |
| | **1.27** | **0.93** |
| **20 Borrowings** | | |
| **Secured** | | |
| Cash credit facility from banks# | 570.84 | 88.00 |
| | **570.84** | **88.00** |

#Cash credit facility from banks are secured against entire present and future current assets of the Company including stocks and book debts not older more than 90 days.

*(This space has been intentionally left blank)*









In Rs. millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **21 Trade payables** | | |
| Due to micro enterprises and small enterprises (refer note below) | - | - |
| Due to others | 13.96 | 0.57 |
| | **13.96** | **0.57** |

**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 | - | - |
| 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 | - | - |
| 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 section 23 of the MSMED Act, 2006 | - | - |
| | | - | - |

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 Company pursuant to Section 22 of the Micro, Small and Medium enterprises Development Act (MSMED), 2006.

Trade payable ageing schedule as at 31 March 2024 and 31 March 2023

| 31 March 2024 | Outstanding for following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues - MSME* | - | - | - | - | - | - |
| Undisputed dues - Others | - | 13.96 | - | - | - | 13.96 |
| Disputed dues - MSME* | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total trade payables** | - | **13.96** | - | - | - | **13.96** |

| 31 March 2023 | Outstanding for following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues - MSME* | - | - | | - | - | - |
| Undisputed dues - Others | - | 0.57 | | - | - | 0.57 |
| Disputed dues - MSME* | - | - | | - | - | - |
| Disputed dues - Others | - | - | | - | - | - |
| **Total trade payables** | - | **0.57** | | - | - | **0.57** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

| | | |
|---|---|---|
| **22 Other financial liabilities** | | |
| Payable to related party | - | 301.90 |
| Capital creditors | 6.48 | 5.99 |
| Employee related liabilities | 0.16 | 0.10 |
| Payable for expenses | 0.66 | 1.70 |
| | **7.30** | **309.70** |
| **23 Other current liabilities** | | |
| Advance from customers (refer note 34) | - | 95.81 |
| Payable to statutory authorities | 0.40 | 0.23 |
| | **0.40** | **96.04** |
| **24 Provisions (Current)** | | |
| **Provision for employee benefits** | | |
| Provision for gratuity (refer note 35) | 0.01 | 0.01 |
| Provision for compensated absences | 1.10 | 0.43 |
| | **1.11** | **0.44** |

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In Rs. millions unless otherwise stated

| Particulars | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|
| **25 Revenue from operations** | | |
| Sale of goods | 927.01 | 31.23 |
| | **927.01** | **31.23** |
| **26 Other income** | | |
| Interest income on bank deposits | 0.39 | - |
| Gain on foreign exchange fluctuation (net) | 2.92 | - |
| Scrap sale | 0.44 | 0.26 |
| | **3.75** | **0.26** |

**Revenue from contracts with customers**

**a) Disaggregation of revenue**

Set out below is the disaggregation of the company revenue from contracts with customers:

| Particulars | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|
| **(A) Revenue from contracts with customers** | | |
| Based on nature of goods/services | | |
| Sale of goods | 927.01 | 31.23 |
| **(B) Other revenue** | | |
| (i) Interest income on bank deposits | 0.39 | - |
| (ii) Gain on foreign exchange fluctuation (net) | 2.92 | - |
| (iii) Scrap sale | 0.44 | 0.26 |
| **Total revenue** | **930.76** | **31.49** |

**b) Contract balances**

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

| Particulars | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|
| **Contract assets** | | |
| Unbilled revenue other than passage of time | - | - |
| **Total contract assets** | - | - |
| **Contract liabilities** | | |
| Advance from customer | - | 95.81 |
| a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | - | - |
| b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period | - | - |
| **Total contract liabilities** | - | **95.81** |

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 the contract liabilities during the year (31 March 2023: nil), therefore disclosure regarding significant changes in contract assets and contract liabilities is not given.

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

| Particulars | For the year ended 31 March 2024 | 04 March 2022 to 31 March 2023 |
|---|---|---|
| Revenue as per contract | 927.01 | 31,233.51 |
| Adjustments: rebate and discounts | - | - |
| **Revenue from contract with customers** | **927.01** | **31.23** |

**d) 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 Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company 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 Company's performance completed till the reporting period.

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

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In Rs. millions unless otherwise stated

| Particulars | For the year ended 31 March 2024 | For the period from 04 March 2022 to 31 March 2023 |
|---|---|---|
| **27 Cost of material consumed** | | |
| Cost of material consumed | 849.51 | 61.50 |
| | **849.51** | **61.50** |
| **28 Changes in inventories of finished goods and work-in-progress** | | |
| Closing stock of work-in-progress | 21.07 | 12.36 |
| Closing stock of finished goods | 52.95 | 13.86 |
| | **74.02** | **26.22** |
| Opening stock of finished goods | 13.87 | - |
| Opening stock of work-in-progress | 12.37 | - |
| | **26.24** | **-** |
| Changes in inventories of finished goods and work-in-progress | **(47.78)** | **(26.23)** |
| **29 Employee benefits expense** | | |
| Salaries, wages and bonus | 34.80 | 4.35 |
| Contribution to provident and other funds | 1.53 | 0.19 |
| Staff welfare expenses | 1.72 | 0.16 |
| | **38.05** | **4.70** |
| **30 Finance costs** | | |
| Interest costs on: | | |
| - cash credit | 36.14 | 0.00 |
| - lease liabilities | 0.16 | 0.11 |
| - Others | 47.50 | |
| Other borrowing cost | 2.18 | - |
| | **85.98** | **0.11** |
| **31 Depreciation and amortisation expenses** | | |
| Depreciation (refer note 3) | 67.09 | 20.22 |
| Amortisation of right of use of assets (refer note 3) | 0.06 | 0.04 |
| | **67.15** | **20.26** |
| **32 Other expenses** | | |
| Power & fuel | 14.06 | |
| Repairs and maintenance | | |
| - Plant and equipments | 0.26 | 0.18 |
| - Others | 4.11 | 0.60 |
| Freight and cartage etc. | 4.72 | 0.46 |
| Rent and hire charges | - | 0.35 |
| Rates and taxes | 1.77 | 2.86 |
| Business promotion | - | 4.49 |
| Insurance | - | 0.09 |
| Travelling and conveyance | 3.07 | 1.30 |
| Loss on foreign exchange fluctuation | - | 0.90 |
| Legal and professional fees | 0.37 | 0.09 |
| Printing & stationary | - | 0.06 |
| Payment to auditors (refer note a below) | 0.24 | 0.30 |
| Advertisement and brand development | - | 0.03 |
| Bank charges | - | 0.35 |
| Telephone expenses | - | 0.09 |
| Donation | - | 0.01 |
| Miscellaneous expenses | 8.87 | 1.28 |
| | **37.47** | **13.50** |
| Note:- | | |
| a) payment to auditors as | | |
| - as auditors | 0.24 | 0.30 |
| | **0.24** | **0.30** |

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SAEL SOLAR MFG. PRIVATE LIMITED

## 33 Financial instruments

### (i) Fair value hierarchy

There are no financial assets or liabilities measured at fair value in these million special purpose financial statements.

### (ii) Financial instruments by category

In Rs millions unless otherwise stated

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | FVTPL* | Amortised cost | FVTPL* | Amortised cost |
| **Financial assets** | | | | |
| **Non Current** | | | | |
| Other financial assets | - | 1.71 | | |
| **Current** | | | | |
| Trade receivables | - | 672.29 | - | - |
| Cash and cash equivalents | - | 4.43 | - | 103.35 |
| Bank balances other than cash and cash equivalents | - | 0.04 | - | - |
| Other financial assets | - | 42.61 | - | 1.78 |
| **Total financial assets** | - | **721.08** | - | **105.14** |
| **Financial liabilities** | | | | |
| **Non Current** | | | | |
| Borrowings | | 530.41 | | |
| **Current** | | - | | |
| Borrowings | - | 570.84 | - | 87.98 |
| Lease liabilities | - | - | - | 5.53 |
| Other financial liabilities | - | 7.30 | - | 309.70 |
| Trade payables | - | 13.96 | - | 0.57 |
| **Total financial liabilities** | - | **1,122.52** | - | **403.80** |

*Fair value through Profit and Loss

The amortised cost of the financial assets and liabilities approximate to the fair value on the respective reporting dates.

### (iii) Risk management

The Company activities expose it to credit risk, liquidity risk and market risk. The Company board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the special purpose financial statements.

### (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company 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 Company 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 Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances, trade receivable and other financial assets | 12 month expected credit loss |

Based on business environment in which the Company operates, there have been no defaults on financial assets of the Company 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 Company. The Company 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 Company.

In Rs millions unless otherwise stated

| Credit rating | Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, trade receivable and other financial assets | 721.08 | 105.14 |

### b) Credit risk exposure

### (i) Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2024**

In Rs millions unless otherwise stated

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| **Non- Current** | | | |
| Other financial assets | 1.71 | - | 1.71 |
| **Current** | | | |
| Trade receivables | 672.29 | - | 672.29 |
| Cash and cash equivalents | 4.43 | - | 4.43 |
| Bank balances other than cash and cash equivalents | 0.04 | - | 0.04 |
| Other financial assets | 42.61 | - | 42.61 |

**31 March 2023**

In Rs millions unless otherwise stated

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Trade receivables | - | - | - |
| Cash and cash equivalents | 103.35 | - | 103.35 |
| Other financial assets | 1.79 | - | 1.79 |

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

Company 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.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company 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 Company liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Company operates.

**Financial arrangement**

The Company has excess to the followings undrawn borrowings facilities at the end of the reporting period

**Maturities of financial liabilities**

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

In Rs millions unless otherwise stated

| 31 March 2024 | On demand | Less than 1 year | 1 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | |
| Borrowings (including interest) | - | 570.84 | 765.00 | - | 1,335.84 |
| Trade payables | - | 13.96 | - | - | 13.96 |
| Other financial liabilities | - | 7.30 | - | - | 7.30 |
| **Total** | - | 592.10 | 765.00 | - | 1,357.10 |

In Rs millions unless otherwise stated

| 31 March 2023 | On demand | Less than 1 year | 1 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | |
| Borrowings (including interest) | - | 87.99 | - | - | 87.99 |
| Lease liabilities | - | 0.53 | 2.13 | 13.71 | 16.37 |
| Trade payables | - | 0.57 | - | - | 0.57 |
| Other financial liabilities | - | 309.70 | - | - | 309.70 |
| **Total** | - | **398.81** | 2.13 | **13.71** | **414.65** |

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 Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales & services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

**Below is the overall exposure of the Company to foreign exchange risk:**

| Particulars | Currency | Amount in foreign currency | Amount in INR ('000000) | Amount in foreign currency | Amount in INR |
|---|---|---|---|---|---|
| | | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2023 |
| Capital Advance | EUR | 0.20 | 17.74 | 0.03 | 0.23 |
| Advance to vendor | USD | - | - | 1.01 | 82.12 |
| **Total borrowings** | | **0.20** | **17.74** | **1.03** | **82.35** |

**Sensitivity**

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

| Particulars | Currency | Exchange rate increase by 5% | Exchange rate decrease by 5% | Exchange rate increase by 5% | Exchange rate decrease by 5% |
|---|---|---|---|---|---|
| | | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2023 |
| Capital Advance | EUR | 0.66 | (0.66) | 0.01 | (0.01) |
| Advance to vendor | USD | - | - | 4.11 | (4.11) |
| **Total borrowings** | | **0.66** | **(0.66)** | **4.11** | **(4.11)** |

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**b) Interest rate risk**

**i) Liabilities**

The Company policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company investments in fixed deposits all pay fixed interest rates.

*Interest rate risk exposure*

Below is the overall exposure of the Company to interest rate risk:

**In Rs millions unless otherwise stated**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Variable rate borrowing | 570.84 | 88.00 |
| Fixed rate borrowing | - | - |
| **Total borrowings** | **570.84** | **88.00** |

*Sensitivity*

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

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **Interest sensitivity*** | | |
| Interest rates – increase by 100 basis points | 5.71 | 0.88 |
| Interest rates – decrease by 100 basis points | (5.71) | (0.88) |

* Holding all other variables constant

**ii) Assets**

The Company 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 the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk**

The Company does not have any other price risk than interest risk as disclosed above.

**(D) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep an optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

**In Rs millions unless otherwise stated**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Borrowings | 570.84 | 87.98 |
| Trade payables | - | 0.57 |
| Other financial liabilties | - | 309.70 |
| Less: Cash & cash equivalents | 4.43 | 103.35 |
| Net debt | **566.42** | **294.91** |
| Equity | 342.79 | 218.75 |
| Total equity | **342.79** | **218.75** |
| **Capital and net debt** | 909.20 | 513.64 |
| **Gearing ratio (%)** | **62.30%** | **57.41%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lender to immediately call loans and borrowings.

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ANIL SOOD & ASSOCIATES FRN : 004985N FEROZEPUR CITY CHARTERED ACCOUNTANTS

SAEL SOLAR MFG. PRIVATE LIMITED

## 34 Related parties

### I Names of related parties and related party relationship

The names of related parties where control exists and/or with whom transactions have taken place during the year and description of relationship as identified by the management are:

**Ultimate Holding Company**
SAEL Industries Limited (w.e.f 04 July 2022)

**Intermediate Holding Company**
SAEL Limited

**Fellow subsidiary**
SAEL Engineering Private Limited

**a) Directors**
Mr. Jasbir Singh
Ms. Palki Awla

### II Transactions with related parties and outstanding balances

In Rs millions unless otherwise stat

| S. No. | Particular | For the year ended 31 March 2024 | For the period ended 31 March 2023 |
|---|---|---|---|
| (A) | **Transaction with related parties** | | |
| 1 | **Loan from related party (short term)/(Repayment)** | | |
| | SAEL Engineering Private Limited | - | 1.2 |
| 2 | **Expense incurred on behalf the company** | | |
| | SAEL Limited | | 18.9 |
| 3 | **Advance from customer** | | |
| | SAEL Limited | - | 95.8 |
| 4 | **Sale of goods to related party** | | |
| | SAEL Limited | 222.33 | 31.2 |
| | SAEL Engineering Private Limited | 25.92 | - |
| | SAEL Industries Limited | 637.55 | - |
| | SAEL Solar P6 Pvt. Ltd | 12.60 | - |
| 5 | **Acquisition of business from related party** | | |
| | SAEL Limited | - | 532.9 |
| 6 | **Finance Cost** | | |
| | SAEL Limited | 32.91 | - |
| | SAEL Industries Limited | 14.59 | - |
| 7 | **Loan taken from Intermediate Holding company** | | |
| | SAEL Limited | 530.00 | - |
| | SAEL Industries Limited | 235.00 | - |
| 8 | **Payment for acquisition of business from related party** | | |
| | SAEL Limited | 300.67 | |
| 9 | **Issue of shares through conversion on loan** | | |
| | SAEL Limited | - | 250.0 |

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SAEL SOLAR MFG. PRIVATE LIMITED

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Notes to Special Purpose Financial Statements for the year ended 31 March 2024**

| S. No. | Particular | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **(B)** | **Outstanding balances** | | |
| **1** | **Loan from related party** | | |
| | SAEL Engineering Private Limited | - | 1.2 |
| **2** | **Advance from customer** | | |
| | SAEL Limited | - | 95.8 |
| **3** | **Borrowings** | | |
| | SAEL Limited | 362.00 | |
| | SAEL Industries Limited | 160.51 | |
| **4** | **Other financial liabilities** | | |
| | Payable to related party | | 300.6 |
| **4** | **Contribution from Holding Company** | | |
| | SAEL Limited | 148.67 | - |
| | SAEL Industries Limited | 65.92 | - |
| **5** | **Trade Receivable** | | |
| | SAEL Limited | 111.45 | - |
| | SAEL Engineering Private Limited | 29.66 | - |
| | SAEL Industries Limited | 516.71 | - |
| | SAEL Solar P6 Pvt. Ltd | 14.48 | - |

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SAEL SOLAR MFG. PRIVATE LIMITED

## 35 Employee benefits

**Defined contribution**

Contributions are made to the recognised provident and family pension fund, cover all eligible employees under applicable Acts. Both the employees and the Company make pre-determined contributions to the provident fund. The contributions are normally based upon a proportion of the employee's salary. The Company has recognized an amount of Rs 1.52 millions (31 March 2023: Rs 1.90 millions) 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 Company.

**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.

**In Rs millions unless otherwise stated**

| Particulars | Gratuity | |
|---|---|---|
| | 31 March 2024 | 31 March 2023 |
| **Reconciliation of liability recognised in the Balance sheet:** | | |
| Present value of commitments | 1.27 | 0.94 |
| Net liability in the balance sheet | 1.27 | 0.94 |
| **Movement in net liability recognised in the Balance sheet:** | | |
| Net liability as at the beginning of the year | 0.94 | - |
| Net amount transferred from SAEL Limited on account of business transfer | - | - |
| Net amount recognised as expenses in the statement of profit and loss | 0.77 | 25.21 |
| Remeasurements-actuarial (gains) / losses | (0.42) | - |
| **Net liability as at the end of the year** | **1.29** | **25.21** |
| **Expenses recognised in the statement of profit and loss*** | | |
| Current service cost | 0.69 | 0.34 |
| Past service cost | - | 0.60 |
| **Expenses charged to the statement of profit and loss** | **0.76** | **0.94** |
| **Component of defined benefit cost recognised in other comprehensive income** | **(0.42)** | **-** |

* During the pervious year 31 March 2023, out of total expentioned of Rs. 0.94 millions, Rs. 0.91million is already charged in SAEL Limited on account of business transfer.

**In Rs millions unless otherwise stated**

| Particulars | | Gratuity |
|---|---|---|
| | 31 March 2024 | 31 March 2023 |
| **Reconciliation of defined-benefit commitments:** | | |
| Obligations as at the beginning of the year | 0.94 | - |
| Current service cost | 0.68 | 0.34 |
| Past service cost | - | 0.60 |
| Interest cost | 0.07 | - |
| Remeasurements- actuarial (gains) / losses | (0.42) | - |
| Obligations as at the end of the year | **1.26** | **0.94** |

**Breakup of actuarial (gain) / loss**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Actuarial (gain)/loss on arising from change in financial assumption | 0.02 | - |
| Actuarial (gain)/loss on arising from experience adjustment | (0.44) | - |
| **Total actuarial (gain)/loss** | **(0.42)** | **-** |

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 2024 | 31 March 2023 |
|---|---|---|
| Discount rate | 7.22% | 7.36% |
| Expected rate of salary increase | 8.00% | 8.00% |

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**(b) Demographic assumptions**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| 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 millions unless otherwise stated**

| Particulars | Gratuity | |
|---|---|---|
| | 31 March 2024 | 31 March 2023 |
| **a) Impact of the change in discount rate** | | |
| i) Impact due to increase of 0.50% | (0.11) | (0.07) |
| ii) Impact due to decrease of 0.50% | 0.13 | 0.08 |
| **b) Impact of the change in salary increase** | | |
| i) Impact due to increase of 0.50% | 0.13 | 0.08 |
| ii) Impact due to decrease of 0.50% | (0.11) | (0.07) |

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 (undiscounted)**

| Particulars | Gratuity | |
|---|---|---|
| | 31 March 2024 | 31 March 2023 |
| Less than 1 year | 0.01 | 0.01 |
| Year 1 to 5 | 0.05 | 0.06 |
| More than 5 years | 1.20 | 0.87 |

The contribution expected to be made by the Company during the financial year 2024-25 is Rs 1.16 millions (FY 2023-24 Rs. 6.54 millions)

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SAEL SOLAR MFG. PRIVATE LIMITED

**36 Earnings per share**

Both the basic and diluted earnings/(loss) per share have been calculated using the profit/(loss) attributable to shareholders of the parent company as the numerator, i.e. no adjustments to profit/(loss) were necessary.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings/(loss) per share to the weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share is as follows:

In Rs millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Loss attributable to owners | (90.84) | (31.34) |
| Number of equity shares | 5,010,000 | 5,010,000 |
| Weighted average number of shares used in diluted loss per share | 5,010,000 | 35,445 |
| Weighted average number of shares used in basic loss per share | 5,010,000 | 35,445 |
| Basic loss per share | (18.13) | (884.52) |
| Diluted loss per share | (18.13) | (884.52) |

**37 Details of assets pledged**

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

In Rs millions unless otherwise stated

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current | | |
| Inventories | 126.59 | 52.16 |
| Trade receivables | 672.29 | - |
| Cash and cash equivalents | 4.43 | 103.35 |
| Bank balances other than cash and cash equivalents | 0.04 | - |
| Other financial assets | 42.61 | 0.07 |
| Other current assets | 14.09 | 86.77 |
| **Total** | **860.05** | **242.35** |

**38 Reconciliation of liabilities from financing activities**

| Particulars (2023-24) | As at 31 march 2023 | Cash flows | | Non cash changes | As at 31 March 2024 |
|---|---|---|---|---|---|
| | | Additions | Payments | | |
| Non current borrowings (including current maturities) | - | 772.90 | - | (242.49) | 530.41 |
| Lease liabilities (including current maturities) | 5.54 | - | - | (5.54) | - |
| Current borrowings (net) | 87.99 | 482.85 | - | - | 570.83 |
| Interest accrued on borrowings | - | - | (38.56) | 38.56 | - |
| **Total liabilities from financial activities** | **93.53** | **1,255.75** | **(38.56)** | **(209.47)** | **1,101.26** |

| Particulars (2022-23) | As at 04 March 2022 | Cash flows | | Non cash changes | As at 31 march 2023 |
|---|---|---|---|---|---|
| | | Additions | Payments | | |
| Lease liabilities (including current maturities) | - | - | (0.17) | 5.70 | 5.54 |
| Current borrowings (net) | - | 87.99 | - | - | 87.99 |
| Interest accrued on borrowings | - | - | (0.00) | 0.00 | - |
| **Total liabilities from financial activities** | - | **87.99** | **(0.17)** | **5.70** | **93.53** |

**38A (i) Capital commitment**

There is no capital commitment as at 31 March 2024 (31 March 2023: Nil)

**(ii) Other commitment**

The Group has an export obligation to the extent of Rs 44.10 millions (31 March 2024: Rs. 44.10 million) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

**38B Contingent liabilities**

| Particulars | Export Obligation 31 March 2024 | Export Obligation 31 March 2023 |
|---|---|---|
| **Export Promotion Capital Goods (EPCG) - export obligation** (refer note 'a' below) | 44.01 | - |

Note a - During the year ended 31 March 2024, the Company imported solar module manufacturing equipment from ECOPROGETTI S.R.L under the Export Promotion Capital Goods (EPCG) scheme of Foreign Trade Policy.

The EPCG scheme permits the import of capital goods required for pre-production, production, and post-production activities at zero customs duty. Accordingly, the Company availed this benefit and imported the machinery without payment of customs duty.

However, this exemption is subject to a condition of fulfilling an Export Obligation (EO) equivalent to six times the amount of duty, taxes, and cess saved on the imported capital goods. The EO must be fulfilled within six years from the date of issuance of the EPCG Authorization. Hence, the Company is obligated to meet the prescribed export commitment against the duty saved.

SAEL SOLAR MFG. PRIVATE LIMITED

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ANIL SOOD & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 004985N FEROZEPUR CITY

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Notes to Special Purpose Financial Statements for the year ended 31 March 2024**

**39 Additional regulatory disclosures**

**a) The followings are the analytical ratio for the year ended 31 March 2024 and 31 March 2023**

| Ratios | Numerator | Denominator | 31 March 2024 | 31 March 2023 | Variance |
|---|---|---|---|---|---|
| Current Ratio | Total current assets | Total current liabilit | 1.51 | 0.59 | 0.91 |
| Debt Equity Ratio | Debts consist of borrowings and lease liabilities | Total equity | 2.63 | 0.40 | 2.23 |
| Debt Service Coverage Ratio | Earning for debts service = net profit after taxes + non-cash opearting expenses + interest + other non-cash adjustments | Debts service = Interest and lease payment + principal repayment | Not Applicable* | Not Applicable* | Not Applicable* |
| Return on Equity Ratio | Profit for the year less preference | Average total equity | 28.53% | -28.65% | 57.18% |
| Inventory Turnover Ratio | Cost of good sold | Average inventory | 9.12 | 1.35 | 7.77 |
| Trade Receivable Turnover Ratio | Revenue from operations | Average trade recei | 2.76 | Not Applicable** | 2.76 |
| Trade Payable Turnover Ratio | Cost of good sold | Average trade payal | 116.50 | 51.37 | 65.13 |
| Net Capital Turnover Ratio | Revenue from operations | Average working capital (i.e. total current assets less total current liabilities | 3.07 | (0.16) | 3.23 |
| Net Profit Ratio | Profit for the year | Revenue from opera | 9.80% | -100.35% | 110.15% |
| Return on Capital Employed | Profit before tax and finances cost | Capital employed = Net worth + lease liabilities + deferred tax liabilities | 0.87% | -13.77% | 14.64% |
| Return on Investment | Income generated from invested funds | Average invested funds in treasury investments | 1491.15% | Not Applicable*** | 1491.15% |

**Notes :**

*Debt service coverage ratio is not applicable to the Company as there is no term loan taken by Company for which repayament is to be made.
**Trade receivable turnover ratio is not applicable to the Company as no trade receivable is held by the Company.
***Return on investment is not applicable to the Company as no investment is held by the Company.

b) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

c) The Company 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.

d) The Company 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

e) The Company has not traded or invested in crypto currency or virtual currency during the year.

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

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

h) The Company 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 Company is required to file quarterly return or statement with such banks amd such statements are in agreement with the books of accounts.

i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

**39A Contingent liabilities**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Export Promotion Capital Goods (EPCG) - export obligation** (refer note 'a' below) | 44.01 | - |

Note a - During the year ended 31 March 2024, the Company imported solar module manufacturing equipment from ECOPROGETTI S.R.L under the Export Promotion Capital Goods (EPCG) scheme of Foreign Trade Policy.

The EPCG scheme permits the import of capital goods required for pre-production, production and post-production activities at zero customs duty. Accordingly, the Company availed this benefit and imported the machinery without payment of customs duty.

However, this exemption is subject to a condition of fulfilling an Export Obligation (EO) equivalent to six times the amount of duty, taxes, and cess saved on the imported capital goods. The EO must be fulfilled within six years from the date of issuance of the EPCG Authorization. Hence, the Company is obligated to meet the prescribed export commitment against the duty saved.

**40 Acquisition of assets :**

On 06 December 2022, the Company has purchased all the assets and liabilities of manufacturing unit situated at village Hakumat Singh Wala, Tehsil & Distt. Ferozepur, Punjab, from SAEL Limited, by way of 'slump sale' as a going concern basis against lump sum purchase price in accordance with executed business transfer agreement:

Details of assets and liabilities acquired are stated below -

**In Rs millions unless otherwise stated**

| Particulars | As at 06 December 2022 |
|---|---|
| **Non current assets** | |
| Property, plant and equipment | 1,140.94 |
| Capital work-in-progress | 135,122.25 |
| Financial assets | |
| Other financial assets | 1,712.23 |
| Other non current assets | 6,478.75 |
| | |
| **Current assets** | |
| Inventories | 69,558.60 |
| Financial assets | |
| Cash and cash equivalents | 8.34 |
| Other financial assets | 327,020.38 |
| Other current assets | 5,160.75 |
| **Total assets (A)** | **546,202.24** |
| **Liabilities** | |
| **Non current liabilities** | |
| Provisions | 1,131.63 |
| **Current liabilities** | |
| Financial liabilities | |
| Trade payables | 332.10 |
| Other financial liabilities | 11,748.21 |
| Provisions | 23.49 |
| **Total liabilities (B)** | **13,235.43** |
| **Net assets acquired/ Purchase Consideration (A-B+C)** | **532,966.81** |
| **Total Amount Payable to SAEL Limited**** | **532,966.81** |

* This adjustment pertains to amount payable by acquired unit to the other units of SAEL Limited as on date of transfer.

** As per the Transfer Agreement, the amount of purchase consideration will be paid by way of issue of equity shares of the Company to SAEL Limited and/or by way of any such other instrument(s) issued by the Company to SAEL Limited.
Out of the total purchase consideration, the Company has issued 5,000,000 equity shares (face value Rs. 10 per share) at issue price of Rs. 50 per share amounting to Rs. 250,000.00 thousand to SAEL Limited and balance purchase consideration is included under other financial liabilities head.

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ANIL SOOD & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN : 004985N FEROZEPUR CITY

SAEL SOLAR MFG. PRIVATE LIMITED

**SAEL Solar Mfg.Private Limited**
**CIN- U31909PB2022PTC055360**
**Notes to Special Purpose Financial Statements for the year ended 31 March 2024**

**41 Segment reporting**

The company is engaged in the business of sale of solar modules. Chief Opearting Decision Maker (CODM) reviews the financial information of the Company as a whole for decision-making and accordingly the Company has a single reportable segment. Further the operations of the Company are limited within one geographical segment. Hence no further disclosure is required to be made by the company.

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

**Tarun Gupta**
Partner
Membership no. 507892

**Place:** New Delhi
**Date:** 14 October 2025

**For Anil Sood & Associates**
Chartered Accountants
Firm's Registration no.: 004985N

**Varinder Mohan Singhal**
Partner
Membership no. 088286

**Place:** New Delhi
**Date:** 14 October 2025

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

**Jasbir Singh**
Director
DIN no- 01668231

**Place:** New Delhi
**Date:** 14 October 2025

**Palki Awla**
Additional Director
DIN no - 03626185

**Place:** New Delhi
**Date:** 14 October 2025