G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Independent Auditor's Report

To the Members of SAEL Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of SAEL Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the period from 25 April 2022 to 31 March 2023, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the period 25 April 2022 to 31 March 2023 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information does not include the standalone financial statements and our auditor's report thereon.

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

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

   The Directors' Report is not made available to us at the date of this auditor's report. We are nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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

SINGHAL & ASSOCIATES FRN : 016848N FEROZEPUR CITY CHARTERED ACCOUNTANTS

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

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

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

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;





10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the period in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

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

        i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2023

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31 March 2023

        iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 27(b) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 27(a) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the period ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **G. D. Singhal & Associates**
Chartered Accountants
Firm registration no.: 017648N

Gagan Deep Singhal
Partner
Membership no: 098947
UDIN: 23098947BGUNVS3713

Place: New Delhi
Date: 03 August 2023

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no:
001076N/N50013

Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statements for the period ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any property, plant and equipment, intangible assets, right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the period. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has made investments in and provided loan to subsidiaries during the period as per details given below

(Rs. In million)

Particulars	Loans
Aggregate amount granted during the period - Subsidiaries (including step down subsidiaries)	4,308.68
Balance outstanding as at balance sheet date - Subsidiaries (including step down subsidiaries)	4,306.28

(b) In our opinion, and according to the information and explanations given to us, the investments made are, prima facie, not prejudicial to the interest of the Company. However, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of loans granted by the Company to its subsidiaries (total loan amount granted Rs. 4,308.68 million and balance outstanding as at balance sheet date Rs. 4,306.28 million) are, prima facie, prejudicial to the Company's interest on account of the fact that the loans have been granted at interest free which is significantly lower than the cost of funds to the Company and also lower than the prevailing yield of government security closest to the tenor of the loan. Also, refer clause 3(iv) below for compliance with provisions of Section 186 of Companies Act, 2013.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated and accordingly, we are unable to comment as to whether the repayments of principal are regular. Further, no interest is receivable on such loans.

(d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

(e) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated. Further, no interest is receivable on such loans. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.

G. D. SINGHAL & ASSOCIATES FRN : 017048N FEROZEPUR CITY CHARTERED ACCOUNTANTS

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statements for the period ended 31 March 2023

(f) The Company has granted loans which is repayable on demand or without specifying any terms or period of repayment, as per details below:

(Rs. In million)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	4,306.28 -	- -	4,306.28 -
Total (A+B)	4,306.28	-	4,306.28
Percentage of loans to the total loans	100.00%	-	100.00%

(iv) In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of section 185 of the Act. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of loans and investments made by it, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. Further, loans amounting to Rs. 2,448.11 million are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statements for the period ended 31 March 2023

has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the period and did not have any term loans outstanding at the beginning of the current period. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the period on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the period. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the period, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, no amounts have been raised from the preferential allotment of shares during the period as the allotment was the consideration towards subsidiary acquisition by the Company.

Further, the Company has made private placement of compulsory convertible preference shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the period.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

G.D. SINGHAL & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN : 017643N FEROZEPUR CITY

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statements for the period ended 31 March 2023

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has entered into non-cash transactions with its directors and persons connected with its directors during the period involving the acquisition of subsidiary, which is covered under the provisions of section 192 of the Act, and in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of aforesaid section of the Act, by way of obtaining prior approval of shareholders in the general meeting of the Company

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses amounting to Rs. 154.90 million in the current period and reporting in respect of the immediately preceding financial year is not applicable as current period is the first year of reporting.

(xviii) There has been no resignation of the statutory auditors during the period. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statements for the period ended 31 March 2023

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **G. D. Singhal & Associates**
Chartered Accountants
Firm registration no.: 017648N

Gagan Deep Singhal
Partner
Membership no: 098947
UDIN: 23098947BGUNVS3713

Place: New Delhi
Date: 03 August 2023

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration no:
001076N/N50013

Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023

G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure B to the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statement for the period ended 31 March 2023

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

1. In conjunction with our audit of the standalone financial statements of SAEL Industries Limited ('the Company') as at and for the period ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance





G. D. Singhal & Associates
Chartered Accountants
Malwal Road, Ferozepur City,
Punjab 152002, India

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

Annexure B to the Independent Auditor's Report of even date to the members of SAEL Industries Limited on the standalone financial statement for the period ended 31 March 2023

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal controls with reference to the financial statements criteria established by the Company considering the essential component of internal control stated in Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G. D. Singhal & Associates**
Chartered Accountants
FRN No: 017648N

Gagan Deep Singhal
Partner
Membership no: 098947
UDIN: 23098947BGUNVS3713

Place: New Delhi
Date: 03 August 2023

For **Walker Chandiok & Co LLP**
Chartered Accountants
FRN: 001076N/N50013

Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023

SAEL Industries Limited
CIN: U48106PB2022PLC055755
Standalone Balance Sheet as at 31 March 2023

In Rs. million unless otherwise stated

Particulars	Notes	As at 31 March 2023
Assets		
Non current assets		
Financial assets		
Investments	3	6,918.31
Other financial assets	4	155.50
Deferred tax assets (net)	5	60.96
Non-current tax assets (net)	6	0.63
		7,135.40
Current assets		
Financial assets		
Cash and cash equivalents	7	434.84
Bank balances other than cash and cash equivalents	8	282.42
Loans	9	4,306.28
Other financial assets	10	3.01
Other current assets	11	405.19
Total current assets		5,431.74
Total assets		12,567.14
Equity and liabilities		
Equity		
Equity share capital	12	461.29
Other equity	13	6,308.72
		6,770.01
Liabilities		
Non current liabilities		
Financial liabilities		
Other financial liabilities	14	3,318.80
Total non current liabilities		3,318.80
Current liabilities		
Financial liabilities		
Borrowings	15	2,448.11
Trade payables		
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	6.24
Other financial liabilities	17	5.61
Other current liabilities	18	18.37
Total current liabilities		2,478.33
Total equity and liabilities		12,567.14
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

Gagan Deep Singhal
Partner
Membership no. 098947

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

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jasbir Singh
Managing Director
DIN No- 01668231

Sukhbir Singh
Director
DIN No - 01785240

Dushyant Kumar
Chief Financial Officer

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SAEL INDUSTRIES

SAEL Industries Limited
CIN: U48106PB2022PLC055755
Standalone Statement of Profit and Loss for the period from 25 April 2022 to 31 March 2023

In Rs. million unless otherwise stated

Particulars	Notes	For the period from 25 April 2022 to 31 March 2023
Revenue		
Other income	19	9.21
Total revenue		9.21
Expenses		
Employee benefits expense	20	7.21
Finance costs	21	13.61
Other expenses	22	197.72
Total expense		218.54
Loss before tax		(209.33)
Tax expense		
Current tax		-
Deferred tax	5	(60.96)
Total tax expense		(60.96)
Loss for the period		(148.37)
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurements of defined benefit plans		-
Income tax relating to items that will not be reclassified to profit or loss		-
Other comprehensive income for the period		-
Total comprehensive loss for the period		(148.37)
Loss per share		
Basic loss per share	25	(4.35)
Diluted loss per share		(4.35)
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the standalone financial statements

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

Gagan Deep Singhal
Partner
Membership no. 098947

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

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jasbir Singh
Managing Director
DIN No- 01668231

Sukhbir Singh
Director
DIN No - 01785240

Dushyant Kumar
Chief Financial Officer

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Standalone Statement of Changes in Equity for the period from 25 April 2022 to 31 March 2023

A Equity share capital

In Rs. million unless otherwise stated

Particulars	Balance as at 25 April 2022	Issue of equity share capital during the period	Balance as at 31 March 2023
Equity share capital	-	461.29	461.29

B Other equity

In Rs. million unless otherwise stated

Particulars	Reserve and surplus		Total
	Securities premium	Retained earnings	
Balance as at 25 April 2022	-	-	-
Loss for the period	-	(148.37)	(148.37)
Addition during the period	6,457.09	-	6,457.09
Balance as at 31 March 2023	6,457.09	(148.37)	6,308.72

Summary of significant accounting policies 2
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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

Gagan Deep Singhal
Partner
Membership no 098947

Place: New Delhi
Date: 03 August 2023

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

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jatbir Singh
Managing Director
DIN No- 01668231

Sukhbir Singh
Director
DIN No - 01785240

Dushyant Kumar
Chief Financial Officer

Vishal Garg
Company Secretary
Membership No. F6867

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Standalone statement of Cash flow for the period from 25 April 2022 to 31 March 2023

In Rs. thousands unless otherwise stated

Particulars	For the period from 25 April 2022 to 31 March 2023
A CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	(209.33)
Adjustments for:	
Interest income on bank deposits	(6.30)
Fair value changes on financial instruments	62.80
Operating profit before working capital changes	(152.83)
Movement in working capital	
Increase in other current and non-current financial assets	(3.01)
Increase in other current and non-current assets	(405.19)
Increase in trade payables	6.24
Increase in other current and non-current financial liabilities	5.61
Increase in other current and non-current liabilities	18.37
Cash flows generated from operating activities post working capital changes	(530.81)
Income tax paid (net)	(0.63)
Net cash used in operating activities (A)	(531.44)
B CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on bank deposits	6.30
Fixed deposits made during the period	(437.92)
Loans to related parties (net)	(4,306.28)
Net cash used in investing activities (B)	(4,737.90)
C CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	0.07
Proceeds from issue of compulsory convertible preference shares	3,256.00
Proceeds from current borrowings (net)	2,448.11
Net cash from financing activities (C)	5,704.18
Increase in cash and cash equivalents (A+B+C)	434.84
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	434.84

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Gagan Deep Singhal
Partner
Membership no. 098947

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

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jasbir Singh
Managing Director
DIN No- 01668231

Sukhbir Singh
Director
DIN No - 01785240

Dushyant Kumar
Chief Financial Officer

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

1 **i) Corporate information**

The Company 'SAEL Industries Limited was incorporated as of 25 April 2022 under the Companies Act, 2013. The Company is domiciled in India with its registered office situated at H.No.44, Model Town, Faridkot Road, Guruharsahai, Distt. Ferozepur, Punjab. During the current period, all the shareholders of SAEL Limited contributed their shares in a partnership firm, HSA & Sons and partnership firm got succeeded in SAEL Industries Limited by entering into a succession agreement. Pursuant to the succession on 04 July 2022, SAEL Industries Limited became the Holding Company of the SAEL Limited

The Company, together with its subsidiaries, are engaged in the business of establishing, commissioning, setting up, operating and maintaining power generation using solar, fossil and alternate source of energy and act as owners, manufacturers, engineers, procurers, buyers, sellers, distributors, dealers and contractors for setting up of power plant using glass bases mirrors, photo voltaic, boilers, turbines and/or other equipments for generating, distribution and supplying of electricity and other products using solar, fossil and alternate source of energy under conditions of direct ownership or through its affiliates, associates or subsidiaries.

The financial statements have been autorised for issue by the Board of Directors on 03 August 2023.

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

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The amendment did not have any material impact on financial statements of the Company.

Ind AS 16 – Proceeds before intended use

The amendment specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The amendment did not have any material impact on financial statements of the Company.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment did not have any material impact on financial statements of the Company.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The amendment did not have any material impact on financial statements of the Company.

2 **Significant accounting policies**

2.01 **Basis of preparation**

The standalone financial statement ('financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Refer 1 (ii) above for certain amendments to the standards which have become effective for annual periods beginning on or after 1 April 2022.

The financial statements are presented in INR and all values are rounded to the nearest million with two decimals except where otherwise indicated.

Historical cost convention

The 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 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 Statement of Profit and Loss.

2.04 **Revenue**

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 entitled in exchange for those goods or services.

A) **Engineering, procurement and construction contract**

Construction revenue and costs are recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method i.e. over the period of time. The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i.The amount of revenue can be measured reliably,

ii. It is probable that the economic benefits associated with the contract will flow to the Company,

iii.The stage of completion of the contract at the end of the reporting period can be measured reliably,

iv. The costs incurred or to be incurred in respect of the contract can be measured reliably Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amount received before the related work is performed are disclosed in the financial statement as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customers are disclosed in the financial statement as trade receivables. Work performed but yet not billed to the Customer are disclosed as unbilled revenue.

G.D. SINGHAL & ASSOCIATES FRN : 017640N FEROZEPUR CITY CHARTERED ACCOUNTANTS

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

B) Interest income

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

2.05 Borrowing costs

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

2.06 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 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.

2.07 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 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.

Classification and subsequent measurement of financial liabilities

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses from changes in the fair value of derivatives are taken directly to statement of profit and loss.

Compound financial instruments

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

G.D. SINGHAL & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN : 017648N FEROZEPUR CITY
WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *
SAEL INDUSTRIES LIMITED *

(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 classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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.

2.08 Current versus non-current classification

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

An asset is treated as current when it is:

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

A liability is current when:

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

The Company classifies 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.

2.09 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.

2.10 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.

2.11 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.

G.S. SINGHAL & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 017648N FEROZEPUR CITY
WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS
SAEL INDUSTRIES LIMITED

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.

2.12 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 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.

2.13 Significant management judgement in applying accounting policies

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

Revenue recognition

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.14 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

2.15 Investment in subsidiary

The Company has elected to recognize its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements', less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments.

The Company has elected to continue with the carrying value for all of its investments in subsidiaries as recognised in the financial statements. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. Investment in equity shares of subsidiaries and in CCPS' which are entirely in the nature of equity, are carried at cost.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

Ind AS 1 Presentation of Financial Statement

Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.

Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

Ind AS 12 Income Taxes

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.

The Company is currently evaluating the impact of the above amendments on its financial statements and does not expect any significant impact on its financial statements.

(This space has been intentionally left blank)

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

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

Particulars	In Rs. million unless otherwise stated As at 31 March 2023
3 Non-current Investments	
Investment in subsidiary	
Investment in equity instruments (at cost)	
SAEL Limited	5,885.26
221,543,484 equity shares of face value of Rs. 10 each	
Investment in Compulsory convertible preference shares (CCPS) (at amortised cost)	
SAEL Limited	
16,066,550 preference shares of face value of Rs. 10 each#	1,033.05
	6,918.31

 # Terms and conditions of conversion of Compulsorily convertible Preference Shares (CCPS)

The Company has investment in 20 years 0.1% Compulsory Convertible Preference Shares of SAEL Limited having a par value of Rs. 10 per share. Each CCPS will compulsorily be converted in one equity share of the SAEL Limited. Investment in instruments have been classified as carried at amortised cost as per IND AS 109, since no ancillary transaction cost has been incurred on issue of such compound financial instruments. Accordingly, amortised cost is equal to the cost of such instruments.

4 Other financial assets - non current	
Fixed deposits with banks having maturity beyond 12 months	155.50
	155.50

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

G.D. SINGAL & ASSOCIATES FRN : 017618N FEROZEPUR CITY CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

In Rs. million unless otherwise stated

Particulars	As at 31 March 2023
5 Deferred tax assets/liabilities (net)	
Deferred tax assets arising on:	
Business loss	60.96
Deferred tax assets (net)	**60.96**

Particulars (2022-23)	As at 25 April 2022	(Expenses)/ benefit recognised in statement of profit and loss	Recognised in other comprehensive income/ other equity	As at 31 March 2023
Assets				
Business loss	-	60.96	-	60.96
Total	-	**60.96**	-	**60.96**

Effective tax reconciliation

Particulars	For the period ended 31 March 2023
Loss before tax	(209.33)
Applicable tax rate	29.12%
Expected tax expense [A]	**(60.96)**
Others	-
Total adjustments [B]	-
Actual tax expense [C=A+B]	**(60.96)**
Total tax incidence	(60.96)
Tax expense recognized in statement of profit and loss [D]	**(60.96)**

The applicable tax rate is the domestic tax rate applicable to the Company - 31 March 2023 : 29.12%

(This space has been intentionally left blank)

SAEL INDUSTRIES LIMITED

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

In Rs. million unless otherwise stated

Particulars	As at 31 March 2023
6 Non-current tax assets (net)	
Advance income tax (net of provision)	0.63
	0.63
7 Cash and cash equivalents	
Cash on hand	0.07
Balances with bank - current accounts	32.73
Fixed deposit with original maturity of less than three months	402.04
	434.84
8 Bank balances other than cash and cash equivalents	
Fixed deposits with original maturity more than 3 months and less than 12 months	282.42
	282.42
9 Loans	
Loans to related parties*	4,306.28
	4,306.28

* Loan given to related parties are interest free and repayable on demand

Details of loans or advances in the nature of loans granted to promoter, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

As at 31 March 2023

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related parties	4,306.28	100.00%

10 Other financial assets	
Security deposits	3.01
	3.01
11 Other current assets	
Advance to vendors	377.52
Deposits with government authorities	27.60
Prepaid expenses	0.07
	405.19

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

12 Share capital

The financial statements represent a legal entity structure. The share capital of the company as below.

	In Rs. million unless otherwise stated	
	As at 31 March 2023	
Particulars	**Number of shares**	**Amount**
Authorised (Equity Share Capital)	6,60,00,000	660.00
Authorised (Preference Share Capital)	1,23,80,000	123.80
	7,83,80,000	**783.80**
Issued and subscribed and fully paid up (Equity Share Capital)	4,61,29,097	461.29
Issued and subscribed and fully paid up (Preference Share Capital)	81,39,900	81.40
Total	**5,42,68,997**	**542.69**
Less : Amount presented as financial liability (refer note 14)	81,39,900	81.40
Total	**4,61,29,097**	**461.29**

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

	As at 31 March 2023	
Particulars	**Number of shares**	**Amount**
At the beginning of the period	-	-
Shares issued during the period	4,61,29,197	461.29
Outstanding at the end of the period	4,61,29,197	461.29

2. Number of shares held by each shareholder holding more than 5% Shares in the Company

(i) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2023	
Particulars	**Number of Shares**	**% Holding**
Jasbir Singh	1,07,03,415	23.20
Sukhbir Singh	1,07,83,816	23.38
Palki Awla	50,48,468	10.94
Seema Awla	44,20,511	9.58
Total	**3,09,56,210**	**67.10**

(ii) Details of preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2023	
Particulars	**Number of Shares**	**% Holding**
Norfund	81,39,900	100%
Total	**81,39,900**	**100%**

3. 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 Company 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.

4. Aggregate number of shares issued for consideration other than cash during the period ended 31 March 2023

During the period Company has alloted 46,122,097 equity shares of Rs 10 each at a premium of Rs 140 on acquisition of 100% controlling interest in SAEL Limited on 4 July 2022.

5. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current period.

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period ending 31 March 2023

12.1 Disclosure of shareholdings of promoters as follows

S. No.	Promoter Name	Shareholding at the end of the period	
		As at 31 March 2023	
		No. of Shares	% of total Shares of the Company
1	Jasbir Singh	1,07,03,415	23.20
2	Sukhbir Singh	1,07,83,816	23.38
3	Jatin Awla	21,71,710	4.71
4	Seema Awla	44,20,511	9.58
5	Palki Awla	50,48,468	10.94
6	Laxit Awla	12,63,600	2.74
7	Harsh Awla	11,93,073	2.59
8	Sukhbir Singh HUF	14,49,270	3.14
9	Jasbir Singh & Sons HUF	16,00,368	3.47
10	Gobind Dham Renewble Energy Private Limited	20,13,600	4.37
11	Sukhbir Solar Energy Private Limited	8,23,870	1.79
12	Govind Infra Private Limited	8,10,653	1.76
13	Sukhbir Logistics Private Limited	16,06,000	3.48
14	Sael Overseas Limited	7,20,000	1.56
15	Harjagat Infra Private Limited	13,05,333	2.83
16	Sindh Renewable Power Private Limited	2,07,744	0.45
17	Govind Awla	4,333	0.01
18	Harjagat Awla	3,333	0.01
		4,61,29,097	**100.00**

G.D. SINGHAL & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 017649N FEROZEPUR CITY

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

Particulars	In Rs. million unless otherwise stated As at 31 March 2023
13 Other equity	
Securities premium	
Opening balance	-
Addition during the period	6,457.09
Balances at the end of the period	**6,457.09**
Retained earnings	
Opening balance	-
Net loss during the period	(148.37)
Balances at the end of the period	**(148.37)**
Total other equity	**6,308.72**

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 statement of profit and loss. Remeasurement of defined benefit plans represents the actuarial gains/ (losses) recognised in the other comprehensive income.

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

In Rs. million unless otherwise stated

Particulars	As at 31 March 2023
14 Other financial liability	
Compulsory convertible preference shares (CCPS)	3,318.80
	3,318.80

Terms and conditions of 5% Compulsorily convertible Preference Shares (CCPS) held by Investor

During the period, the Company issued 81,39,900 Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each fully paid-up at a premium of Rs. 390 per share. If the Board proposes to declare any dividend on any Securities, the holders of the CCPS shall be paid, out of the dividend proposed to be declared, a cumulative dividend equal to 5%, in preference and priority to the payment of dividend on equity shares in the same financial year. The CCPS holders shall carry the same voting rights as are attached to the Equity Shares issuable to the holders of the CCPS upon the conversion of such CCPS.

CCPS will be converted into equity shares of the Company on the earliest of the following dates :

(a) IPO Conversion Date - 10 days prior to the filing of the final and updated DRHP with SEBI

(b) TPS Date- Date on which relevant definitive documents for a Third Party Sale are executed

(c) Mandatory Conversion Date- Date falling 20 years from the date of close of first and second tranche closing date.

The investor shall also have the following rights:

(I) Asset sale can be enforced by the CCPS holder if (i) the Company and the Sponsors are unable to consummate the IPO by the IPO Deadline i.e. on or before 31 December 2027; and (ii) the Company and the Sponsors are unable to provide an exit to the Investor pursuant to a Third Party Sale on or before 31 December 2028.

(II) Investor Controlled Sale (ICS) wherein it assumes the management control of the Company for a period of 9 (nine) months commencing from the Asset Sale Deadline i.e. on or before 31 July 2029 until 30 April 2030, through a written notice to the Company and the Sponsors.

(III) Investor has the right to require the Sponsors and Company to buyback the Investor Equity Securities or Investor Converted Securities held by the Investor in consideration for Investor Specified Amount.

(IV) In case of liquidity event, the CCPS holder shall be entitled to receive Liquidation Preference Investor Specified Amount subject to preference to be given to creditors under Applicable Law.

These compulsory convertible preference shares have the exit options as mentioned above, Hence, these shares are also classified as financial liability.

During the current period, the company has issued 100 equity shares to Norfund. These shares also have the above exit options, hence these shares are also classified as a financial liability and disclosed above.

Increase in the financial liability on subsequent re-measurement at fair value at the balance sheet date amounting to Rs. 62.80 million is disclosed within 'Other expenses' in the statement of profit and loss account .

15 Borrowings	
Unsecured	
Borrowings from related parties*#	2,448.11
	2,448.11

*Includes borrowings of Rs. 385.00 millions that are chargeable to interest @ 10.00% p.a. and are repayable on demand and loans amounting to Rs. 2,050.86 million are interest free and are repayable on demand.

Includes interest accrued of Rs. 12.25 miilion.

G.D. SINGHAL & ASSOCIATES FRN : 017846N FEROZEPUR CITY CHARTERED ACCOUNTANTS

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

In Rs. million unless otherwise stated

Particulars	As at 31 March 2023
16 Trade payables	
Due to micro enterprises and small enterprises (refer note below)	-
Due to others	6.24
	6.24

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	-
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 2023

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	-	6.24	-	-	-	6.24
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payables	-	**6.24**	-	-	-	**6.24**

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

17 Other financial liabilities	
Employee related liabilities	2.62
Others	2.99
	5.61
18 Other current liabilities	
Payable to statutory authorities	18.37
	18.37

(This space has been intentionally left blank)

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

	Particulars	In Rs. million unless otherwise stated For the period from 25 April 2022 to 31 March 2023
19	**Other income**	
	Interest income on bank deposits	6.30
	Miscellaneous income	2.91
		9.21
20	**Employee benefits expense**	
	Salaries, wages and bonus	7.18
	Staff welfare expenses	0.03
		7.21
21	**Finance costs**	
	Interest expense on loan from related party	13.61
		13.61
22	**Other expenses**	
	Insurance	0.02
	Travelling and conveyance	0.28
	Legal and professional fees	127.90
	Printing and stationary expenses	0.02
	Payment to auditors (refer note a below)	3.30
	Fair value changes on CCPS (refer note 14)	62.80
	Bank charges	0.58
	Miscellaneous expenses	2.82
		197.72
	Note:-	
	a) payment to auditors as	
	- auditors	3.30
		3.30

(This space has been intentionally left blank)

23 Financial instruments

(i) Fair value hierarchy

There are no financial assets or liabilities measured at fair value in these financial statements except stated below.

(ii) Financial instruments by category

In Rs. million unless otherwise stated

Particulars	Carrying value		Fair value measurement using		
	FVTPL*	Amortised cost	Level-1	Level-2	Level-3
Financial assets					
Loans	-	4,306.28	-	-	-
Cash and cash equivalents	-	434.84	-	-	-
Other financial assets	-	158.51	-	-	-
Bank balances other than cash and cash equivalents	-	282.42	-	-	-
Total financial assets	-	**5,182.05**	-	-	-
Financial liabilities					
Borrowings	-	2,448.11	-	-	-
Trade payables	-	6.24	-	-	-
Other financial liabilities	3,318.80	5.61	-	-	3,318.80
Total financial liabilities	**3,318.80**	**2,459.96**	-	-	**3,318.80**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, current loans and other current financial assets and liabilities, approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the period ended 31 March 2023.

*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.

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique
Financial instrument classified as Financial liability	The valuation model considers the 16% as an effective return / IRR on the CCPS instrument.

Sensitivity Analysis of fair value instruments:-

Liability component of equity shares held by Norfund

The management has used 16% as an effective return / IRR on the CCPS instrument for determining the fair value of Financial instrument classified as Financial liability .

The Management has computed the value of CCPS with effective compound rate of 16% for a period from the issuance date to 31 March 2023. This would result in the fair value of the CCPS of INR INR 3,318.80 million as of 31 March, 2023.

Management has identified that a reasonably possible change in the key assumption could cause a change in fair value of the instrument. The following table shows the amount by which the fair value would change on change in the assumption. All other factors remaining constant.

Increase/(decrease) in fair value	As at 31 March 2023
Increase by 1%	3.93
Decrease by 1%	(3.93)

(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 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, loans 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. million unless otherwise stated

Credit rating	Particulars	Carrying value
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	5,182.05

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

SAEL INDUSTRIES LIMITED ★

b) Credit risk exposure

(i) Provision for expected credit losses

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

Carrying value

In Rs. million unless otherwise stated

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	434.84	-	434.84
Bank balances other than cash and cash equivalents	282.42	-	282.42
Loans	4,306.28	-	4,306.28
Other financial assets	158.51	-	158.51

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.

(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 does not have any undrawn borrowing facilities at the end of the reporting period

However, second tranche of Compulsory Convertible Preference Shares amounting to USD 20.00 million (INR 1643.00 million) is yet to be disbursed as on 31 March 2023

Maturities of financial liabilities

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

In Rs. million unless otherwise stated

Carrying value	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	2,448.11	-	-	-	2,448.11
Trade payables	-	6.24	-	-	6.24
Other financial liabilities	-	5.61	3,318.80	-	3,324.41
Total	**2,448.11**	**11.85**	**3,318.80**	**-**	**5,778.76**

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 does not have any foreign exchange risk as there are no foreign currency transactions

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 2023, 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.

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. million unless otherwise stated

Particulars	As at 31 March 2023
Borrowings	2,448.11
Trade payables	6.24
Other financial liabilities	3,324.41
Less: Cash and cash equivalents	434.84
Net debt	**5,343.92**
Equity	6,770.01
Total equity	**6,770.01**
Capital and net debt	**12,113.93**
Gearing ratio (%)	**44.11%**

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.

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

SAEL INDUSTRIES LIMITED ★

24 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 period and description of relationship as identified by the management are:

	Ownership Interest 31 March 2023
a) Wholly Owned Subsidiary (w.e.f. 04 July 2022)	
SAEL Limited	100%
b) Step down subsidiaries (w.e.f. 04 July 2022)	
Sunfree Paschim Renewable Energy Private Limited	100%
Sunfree North East Renewable Energy Private Limited	100%
Canal Solar Energy Private Limited	100%
Laxjeet Renewable Energy Private Limited	100%
Universal Biomass Energy Private Limited	100%
VCA Power Private Limited	100%
TNA Renewable Energy Private Limited	100%
KTA Powers Private Limited	100%
Jasrasar Green Power Energy Private Limited	100%
Sardarshahar Agri Energy Private Limited	100%
SAEL Agri Commodities Limited	100%
SAEL Kaithal Renewable Energy Private Limited (Formerly Chitrakoot Solar Private Limited)	100%
SAEL Engineering Private Limited (Formerly Lalitpur Solar Private Limited)	100%
SAEL Solar Mfg. Private Limited	100%
SAEL RE Power Private Limited	100%
SAEL Solar Solutions Private Limited	100%
SAEL Solar India Private Limited	100%
SAEL Power Private Limited	100%
SAEL International Limited, Hongkong	100%
Urjanidhi Solar Private Limited	100%
Sunfree Energy Private Limited	100%
Native Power Private Limited	100%
SAEL EV Infra Private Limited	100%
Chattargarh Renewable Energy Private Limited	100%
DR. H S Awla Foundation (upto 01 December 2022)	-

c) Directors

Mr. Jasbir Singh
Mr. Sukhbir Singh
Mr. Laxit Awla
Mr. Harbhajan Singh (Independent director) (appointed effective from 29 March 2023)
Mr. Inge Karsten Stoelen (appointed effective from 07 June 2023)

d) Key Managerial Person other than Directors

Mr. Dushyant Kumar (Chief Financial Officer, appointed effective from 04 July 2023)
Mr. Vishal Garg (Company Secretary, appointed effective from 04 July 2023)

e) Relatives of Directors and Key Managerial Person

Mr. Raminder Singh
Mr. Harsh Awla
Mr. Laxit Awla
Mrs. Palki Awla
Mrs. Seema Awla
Mrs. Neetu Awla
Ms. Kainaat Awla
Mr. Jatin Awla
Mr. Harjagat Awla
Ms. Tanishika Awla
Mr. Gobind Awla

SAEL INDUSTRIES LIMITED

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

DIOK & CO LLP CHARTERED ACCOUNTANTS

f) Entities over which key managerial persons and their relative are able to exercise significant influence

Name of the Entity

Sukhbir Solar Energy Private Limited
Hyper Reality Studio Private Limited
SAEL Overseas Limited
Sun Layer Energy Private Limited
Gobind Infra Private Limited
Harjagat Infra Private Limited
Sukhbir Logistics Private Limited
Indoasia Real Estate Private Limited
Conrad Industries Private Limited
Sapphire Agri Warehousing Private Limited
Sukhbir Singh and Company
Sukhbir Singh (HUF)
Jasbir Singh & Sons (HUF)

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

SAEL INDUSTRIES LIMITED ★

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

SAEL Industries Limited
CIN: U40106PB2022PLC055755
Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

II Transactions with related parties and outstanding balances

S. No.	Particular	For the period from 25 April 2022 to 31 March 2023
(A)	**Transaction with related parties**	
1	**Remuneration to Director**	
	Mr. Jasbir Singh	3.45
	Mr. Sukhbir Singh	2.76
		6.21
2	**Expenses incurred on behalf of related party**	
	SAEL Limited	24.91
	Sunfree Paschim Renewable Energy Private Limited	4.81
	Laxjeet Renewable Energy Private Limited	1.36
		31.08
3	**Services provided to related party**	
	Sunfree Paschim Renewable Energy Private Limited	0.50
	SAEL Limited	2.49
	Laxjeet Renewable Energy Private Limited	0.14
		3.13
4	**Expenses Incurred on behalf of Company**	
	Sunfree North East Renewable Energy Private Limited	0.07
	Sunfree Paschim Renewable Energy Private Limited	0.90
		0.97
5	**Short term borrowings taken**	
	Jasbir Singh	131.69
	Sukhbir Singh	157.40
	Canal Solar Energy Private Limited	397.25
	Laxjeet Renewable Energy Private Limited	62.00
	SAEL Engineering Private Limited (Formerly Lalitpur Solar Private Limited)	50.00
	Universal Biomass Energy Private limited	792.25
	Chattargah Renewalble Energy Private Limited	90.00
	Jasrasar Green Power Energy Private Limited	89.87
	KTA Power Private Limited	279.96
	Sardarshahar Agri Energy Private Limited	100.00
	TNA Renewable Energy Private Limited	199.54
	VCA Power Private Limited	99.58
		2,449.54
6	**Loan given to wholly owned subsidiary**	
	SAEL Limited	4,274.47
		4,274.47

S. No.	Particular	For the period from 25 April 2022 to 31 March 2023
(B)	**Outstanding balances**	
1	**Loan from related party (short term borrowings)**	
	Jasbir Singh	131.69
	Sukhbir Singh	157.40
	Canal Solar Energy Private Limited	397.25
	Laxjeet Renewable Energy Private Limited	60.50
	SAEL Engineering Private Limited (Formerly Lalitpur Solar Private Limited)	50.00
	Universal Biomass Energy Private limited	792.25
	Sunfree North East Renewable Energy Private Limited	0.07
	Chattargah Renewalble Energy Private Limited	90.00
	Jasrasar Green Power Energy Private Limited	89.87
	KTA Power Private Limited	279.96
	Sardarshahar Agri Energy Private Limited	100.00
	TNA Renewable Energy Private Limited	199.54
	VCA Power Private Limited	99.58
		2,448.11
2	**Loan to related parties**	
	Sunfree Paschim Renewable Energy Private Limited	4.41
	SAEL Limited	4,301.87
		4,306.28

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SAEL INDUSTRIES LIMITED

25 Earnings per share

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

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

In Rs. million unless otherwise stated

Particulars	For the period from 25 April 2022 to 31 March 2023
Loss attributable to owners	(148.37)
Number of equity shares	4,61,29,097
Weighted average number of shares used in basic loss per share	3,41,24,248
Weighted average number of shares used in diluted loss per share	3,41,24,248
Basic loss per share	(4.35)
Diluted loss per share	(4.35)

26 Reconciliation of liabilities from financing activities

In Rs. million unless otherwise stated

Particulars (2022-23)	As at	Cash flows		Non cash changes	As at
	25 April 2022	Additions	Payments		31 March 2023
Current borrowings (net)	-	2,448.11	-	-	2,448.11
Compulsory convertible preference shares	-	3,256.00	-	62.80	3,318.80
Total liabilities from financial activities	**-**	**5,704.11**	**-**	**62.80**	**5,766.91**

27 Details for funds received and loaned as intermediary

a) **Funds received from foreign entity (Funding Party)**

In Rs millions unless otherwise stated

Funding Party	Date	Amount
Norfund Registered Address: Fridtjof Nansens plass 4, N-0160 Oslo, Norway	17 February 2023	1,680.63
		1,680.63

b) **Fund advanced to intermediary entity for onward lending to ultimate beneficiary as stated in point (c) below**

Intermediary Entity	Date	Amount
SAEL Limited Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022	18 February 2023	48.50
	20 February 2023	532.13
	21 February 2023	1,100.00
		1,680.63

c) **Funds lend to Ultimate Beneficiary**

Ultimate Beneficiaries	Date	Amount
KTA Powers Private Limited Registered Address: 32, Shivji Marg Westend Greens, Rangpuri South West, Delhi - 110037	21 February 2023	372.46
Sardarshahar Agri Energy Private Limited Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022	21 February 2023	327.61
TNA Renewable Energy Private Limited Registered Address: 32, Shivji Marg Westend Greens, Rangpuri South West, Delhi - 110037	21 February 2023	325.98
Jasrasar Green Power Energy Private Limited Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022	21 February 2023	323.57
VCA Power Private Limited Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022	21 February 2023	317.04
Chattargah Renewable Energy Private Limited Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022	21 February 2023	13.97
		1,680.63

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

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

SAEL INDUSTRIES LIMITED

28 Additional regulatory disclosures

a) The followings are the analytical ratio for the period ended 31 March 2023

Ratios	Numerator	Denominator	31 March 2023
Current Ratio	Total current assets	Total current liabilities	2.19
Debt Equity Ratio	Debts consist of borrowings and lease liabilities	Total equity	0.36
Debt Service Coverage Ratio	Earning for debts service = net profit after taxes + non-cash operating expenses + interest + other non-cash adjustments	Debts service = Interest and lease payment + principal repayment	Not Applicable*
Return on Equity Ratio (%)	Profit/ loss for the period less preference dividend (if any)	Average total equity	-4.38%
Inventory Turnover Ratio	Cost of good sold	Average inventory	Not Applicable**
Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable	Not Applicable***
Trade Payable Turnover Ratio	Cost of equipments and software licences + other expenses	Average trade payable	Not Applicable#
Net Capital Turnover Ratio	Revenue from operations	Average working capital (i.e. total current assets less total current liabilities	Not Applicable***
Net Profit Ratio (%)	Profit for the period	Revenue from operations	Not Applicable***
Return on Capital Employed (%)	Profit before tax and finances cost	Capital employed = Total assets - current liabilities	2.27%
Return on Investment(%)	Income generated from invested funds	Average invested funds in treasury investments	Not Applicable##

Reasons for variance :

*Debt service coverage ratio is not applicable as the Company does not have any interest bearing borrowings as at 31 March 2023.
**Inventory turnover ratio is not applicable to the Company as no inventory is held by the Company
***Ratio is not applicable to the Company as no there is no revenue from operations in the period
#Ratio is not applicable to the Company as no there is no cost of equipments and software licenses in the period
##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 period in the tax assessments un lex the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

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

29 **Segment reporting**

The company is engaged in the business of generating revenue from engineering, procurement and construction contracts of power plants. Chief Operating 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.

30 During the period, all the shareholders of SAEL Limited, contributed their shares in a partnership firm, HSA & Sons and later on, HSA & Sons got succeeded in SAEL Industries Limited by entering into a succession agreement. Pursuant to the succession, SAEL Industries Limited became the Holding Company of the SAEL Limited from 04 July 2022. As per management assessment supported by legal opinion, there is no tax implication on account such capital re-organization in the hands of SAEL Industries Limited as per relevant provisions of the Income Tax Act.

31 **Subsequent event**

The Company has evaluated events and transactions, which occurred subsequent to the balance sheet date but prior to the date when financial statements were available to be issued. There were no material subsequent event which are required to be disclosed

For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 017640N

Gagan Deep Singhal
Partner
Membership no 098947

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

Tarun Gupta
Partner
Membership no 507892

For and on behalf of the Board of Directors

Jasbir Singh
Managing Director
DIN No- 01468231

Sukhbir Singh
Director
DIN No - 01785240

Dashrath Kumar
Chief Financial Officer

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023

G.D. SINGHAL & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN : 017640N FEROZEPUR CITY

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SAEL INDUSTRIES LIMITED