

SAEL INDUSTRIES LIMITED

Annual Report 2022-23

NOTICE

NOTICE is hereby given that the 1st Annual General Meeting of the Members of **M/s SAEL Industries Limited** will be held on Thursday, the 3rd Day of August, 2023 at 12.00 noon at shorter notice through video conferencing (VC)/ other audio visual means, the deemed place of Meeting will be the A-3, First Floor, Green Park Main, New Delhi-110016 to transact the following businesses:-

Ordinary Business:

- 1. To receive, consider and adopt the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the Reports of Board of Directors and Auditor's thereon.**
- 2. To consider & appoint Director in place of Mr. Sukhbir Singh (DIN: 01785240), who retires by rotation and being eligible offers himself for re- appointment.**

“RESOLVED THAT Mr. Sukhbir Singh (DIN: 01785240), who retires by rotation and being eligible offers himself for reappointment be and hereby re-appointed as Director of the Company liable to retire by rotation.”

- 3. To re-appoint Walker Chandiok & Co LLP as a Joint Statutory Auditors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) [including any statutory modification(s) or re-enactment thereof for the time being in force] Walker Chandiok & Co, LLP Chartered Accountant (FRN: 001076N/N500013), who have confirmed their eligibility to be appointed as Auditors in terms of Section 141 of the Act and the Rules, be and are hereby appointed as Joint Statutory Auditors of the Company for the period of four (4) year from the conclusion of 1st Annual General Meeting till the conclusion of 5th Annual General Meeting of the Company at the remuneration to be determined by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.”

4. To re-appoint G D Singhal & Associates as a Joint Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) [including any statutory modification(s) or re-enactment thereof for the time being in force] G D Singhal & Associates, Chartered Accountant (FRN: 017648N), who have confirmed their eligibility to be appointed as Auditors in terms of Section 141 of the Act and the Rules, be and are hereby appointed as Joint Statutory Auditors of the Company for a period of four (4) years from the conclusion of 1st Annual General Meeting till the conclusion of 5th Annual General Meeting of the Company at the remuneration to be determined by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.”

Special Business:

5. To regularize the appointment of Mr. Harbhajan Singh (DIN: 02922092) as Director (Non-Executive & Independent) of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and the rules made thereunder and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to regularise the appointment Mr. Harbhajan Singh (DIN: 02922092) as Director (Non-Executive & Independent) on the Board of the Company for the period of 5 years from the date of ensuing AGM, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who was appointed as an Additional Director of the Company with effect from 29th day of March, 2023 in terms of Section 161 of the Companies Act, 2013, and whose tenure expires on the ensuing AGM.”

6. To regularize the appointment of Mr. Inge Karsten Stoelen (DIN: 10192304) as Director (Non-Executive) of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the consent of the Shareholders be and are hereby accorded to regularize the appointment of Mr. Inge Karsten Stoelen (DIN: 10192304) as Director (Non-Executive) of the Company, who was appointed as an Additional Director of the Company with effect from 7th day of June, 2023 in terms of Section 161 of the Companies Act, 2013, and whose tenure expires on the ensuing AGM.”

7. To increase the Authorised Share Capital and consequent alteration of Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules made thereunder, the consent of the Shareholders be and are hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 78,38,00,000/- (Rupees Seventy Eight Crores Thirty Eight Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,23,80,000 (One Crore Twenty Three Lakhs Eighty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 94,14,00,000/- (Rupees Ninety Four Crores Fourteen Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 2,81,40,000 (Two Crores Eighty One Lakhs Forty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each.”

“RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders of the Company be and are hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by the following new Clause V as under:

- V. The Authorised Share Capital of the Company is Rs. 94,14,00,000/- (Rupees Ninety Four Crores Fourteen Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 2,81,40,000 (Two Crores Eighty One Lakhs Forty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each.

“RESOLVED FURTHER THAT Mr. Jasbir Singh and Mr. Sukhbir Singh, Directors of the Company be and are hereby severally authorized to file the required forms/returns with the Registrar of Companies and to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolution.”

8. To approve the appointment of Mr. Jasbir Singh (DIN: 01668231) as Managing Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to any other approvals as may be required, the consent of the Members of the Company be and is hereby accorded to approve the appointment of Mr. Jasbir Singh as Managing Director of the Company for a period of 5 years from August 1, 2023 to July 31, 2028 upon such terms and conditions, including remuneration as mentioned hereunder.

Terms and conditions of the appointment of Mr. Jasbir Singh, Managing Director: -

Total Salary (Including all allowances): Rs. 20.00 Lakhs per month (w.e.f. 01.08.2023)

Other Benefits and Perquisites are as under:

Mr. Jasbir Singh shall also be entitled to an annual performance bonus as may be determined by the Board in terms of the Compensation Policy of the Company.

Mr. Jasbir Singh shall be eligible for perquisites inclusive of residential accommodation, hard furnishings, use of cars provided and maintained by the Company, telephone/ Mobile at residence, club memberships or allowances in lieu thereof, medical reimbursement, medical and personal accident insurance, housing and personal loans, travel allowance, leave travel concession and other benefits in accordance with the scheme(s) and rule(s) applicable to the employees of the Company from time to time for the aforesaid perquisites and benefits. The perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable or at actual cost to the Company.

Mr. Jasbir Singh shall also be eligible for retiral benefits like provident fund, superannuation and gratuity as per relevant policies / schemes / rules of the Company. He shall also be eligible for reimbursement towards business promotion expenses upto Rs. 10 Lakhs per month.

In case the services of Mr. Jasbir Singh are terminated by the Company without any default / breach on his part, he shall be entitled to receive as termination allowance an amount equal to the salary, perquisites and benefits that he would have otherwise received for the remainder of his tenure, had the said services not been terminated.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Company to give effect to this resolution.”

By Order of the Board of Directors
For **SAEL Industries Limited**



(Laxit Awla)

Director

DIN: 06976288

Place: New Delhi

Date: 03.08.2023

NOTE:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.**
- 2. ALL DOCUMENTS REFERRED IN THE ACCOMPANYING NOTICE ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY ON ALL WORKING DAYS BETWEEN 11:00 A.M TO 2:00 P.M UP TO THE DATE OF ANNUAL GENERAL MEETING, EXCEPT ON SUNDAYS AND OTHER HOLIDAYS.**
- 3. A MEMBER DESIROUS OF GETTING ANY INFORMATION ON THE ACCOUNTS OR OPERATIONS OF THE COMPANY IS REQUIRED TO FORWARD HIS/HER QUERIES TO THE COMPANY SO THAT THE REQUIRED INFORMATION CAN BE MADE AVAILABLE AT THE MEETING.**

Explanatory Statement under section 102 (1) of the Companies Act, 2013 to the accompanying notice.

ITEM NO. 5

Mr. Harbhajan Singh was appointed as an Additional Director with effect from 29th March, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, Mr. Harbhajan Singh holds office up to the date of ensuring Annual General Meeting of the Company. Mr. Harbhajan Singh is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

The Board is of the view that the appointment of Mr. Harbhajan Singh as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 5 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Harbhajan Singh himself, is in any way concerned or interested, in the said resolution.

The Board recommends the said resolution to be passed as an ordinary resolution.

ITEM NO. 6

Mr. Inge Karsten Stoelen was appointed as an Additional Director with effect from 7th June, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the Mr. Inge Karsten Stoelen holds office up to the date of ensuring Annual General Meeting of the Company. Mr. Inge Karsten Stoelen is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

The Board is of the view that the appointment of Mr. Inge Karsten Stoelen as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 6 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Inge Karsten Stoelen himself, is in any way concerned or interested, in the said resolution.

The Board recommends the said resolution to be passed as an ordinary resolution.

ITEM NO. 7

The present Authorised Share Capital of the Company stands Rs. 78,38,00,000/- (Rupees Seventy Eight Crores Thirty Eight Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,23,80,000 (One Crore Twenty Three Lakhs Eighty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each.

The Company is planning to issue Compulsory Convertible Preference Shares to meet the growing fund requirement of the Company. In order to expand the capital base, it is now proposed to increase the Authorised Share Capital from the existing limit of Rs. 78,38,00,000/- (Rupees Seventy Eight Crores Thirty Eight Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,23,80,000 (One Crore Twenty Three Lakhs Eighty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 94,14,00,000/- (Rupees Ninety Four Crores Fourteen Lakhs Only) divided into 6,60,00,000 (Six Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 2,81,40,000 (Two Crores Eighty One Lakhs Forty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each.

On increase of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association. The Resolution seeks approval of Shareholders to increase the Authorised Share Capital and to amend the said Clause.

The proposed increase of authorised share capital and consequent alteration of Memorandum of Association requires approval of the shareholders of the Company by way of Ordinary Resolution as set out in item no. 7 of the notice.

A copy of Memorandum of Association of the Company duly amended will be available at the Registered Office of the Company for inspection during the office hours and copies thereof shall also be made available for inspection at the place of the meeting on the meeting day.

None of the Directors/Key Managerial Personnel of the Company/their relatives, is in any way concerned or interested, in the said resolution.

The Board recommends the said resolution to be passed as an ordinary resolution.

ITEM NO. 8

The Board has appointed Mr. Jasbir Singh as Managing Director of the Company for the period of 5 years commencing from August 1, 2023 to July 31, 2028 in its meeting held on 25th July, 2023, subject to the approval of Members of the Company in the general meeting.

Mr. Jasbir Singh is having more than 25 years of experience in various domains specially in the field Renewable Power Business. Therefore, after considering his knowledge of various aspects relating

to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Jasbir Singh should be available to the Company.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Companies Act 2013, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr. Jasbir Singh requires approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Jasbir Singh himself, is in any way concerned or interested, in the said resolution.

The Board recommends the Resolution at Item No. 8 for approval of the Members.

By Order of the Board of Directors
For **SAEL Industries Limited**



(Laxit Awla)

Director

DIN: 06976288

Place: New Delhi

Date: 03.08.2023

ATTENDANCE SLIP
1ST ANNUAL GENERAL MEETING – 3RD AUGUST, 2023

Registered Folio No./DP ID No./Client ID No.:

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Number of Shares held:

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I certify that I am a member/proxy/authorised representative for the member of the Company.

I hereby record my presence at the 1st Annual General Meeting of the Company to be held at A-3, First Floor, Green Park Main, New Delhi-110016 on Thursday, 3rd August, 2023 at 12:00 noon

.....
Name of the member/proxy
(in BLOCK Letters)

.....
Signature of the member/proxy

Note:

1. Shareholders/Proxy holders wishing to attend the meeting should bring the duly filled attendance slip for the meeting.

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1ST ANNUAL GENERAL MEETING – 3RD AUGUST, 2023

Name of the Member(s):
 Registered address:
 E-mail Id:
 Folio No/ Clint Id:
 DP ID:

I/We, being the member(s) of shares of the above named Company, hereby appoint:

1. Name:

Address:.....

E-mail Id:.....

Signature:, or failing him/her

2. Name:

Address:.....

E-mail Id:.....

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 1st Annual General Meeting of members of the Company, to be held on Thursday, 3rd August, 2023 at 12:00 noon at A-3, First Floor, Green Park Main, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Description of Resolution	Vote (optional see Note 2) (Mention number of shares)		
Ordinary Business			For	Against	Abstain
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2023, together with the Reports of Board of Directors and Auditor's thereon.				
2.	To consider & appoint Director in place of Mr. Sukhbir Singh (DIN: 01785240), who retires by				

	rotation and being eligible offers himself for re-appointment.			
3.	To re-appoint Walker Chandiok & Co LLP as a Joint Statutory Auditors.			
4.	To re-appoint G D Singhal & Associates as a Joint Statutory Auditors.			
Special Business				
5.	To regularize the appointment of Mr. Harbhajan Singh (DIN: 02922092) as a Director (Non-Executive & Independent) of the Company.			
6.	To regularize the appointment of Mr. Inge Karsten Stoelen (DIN: 10192304) as Director (Non-Executive) of the Company			
7.	To increase the Authorised Share Capital and consequent alteration of Memorandum of Association of the Company			
8.	To approve the appointment of Mr. Jasbir Singh (DIN: 01668231) as Managing Director of the Company.			

Signed this day of.....2023

Signature of Shareholder:.....

Signature of Proxy holder(s):.....

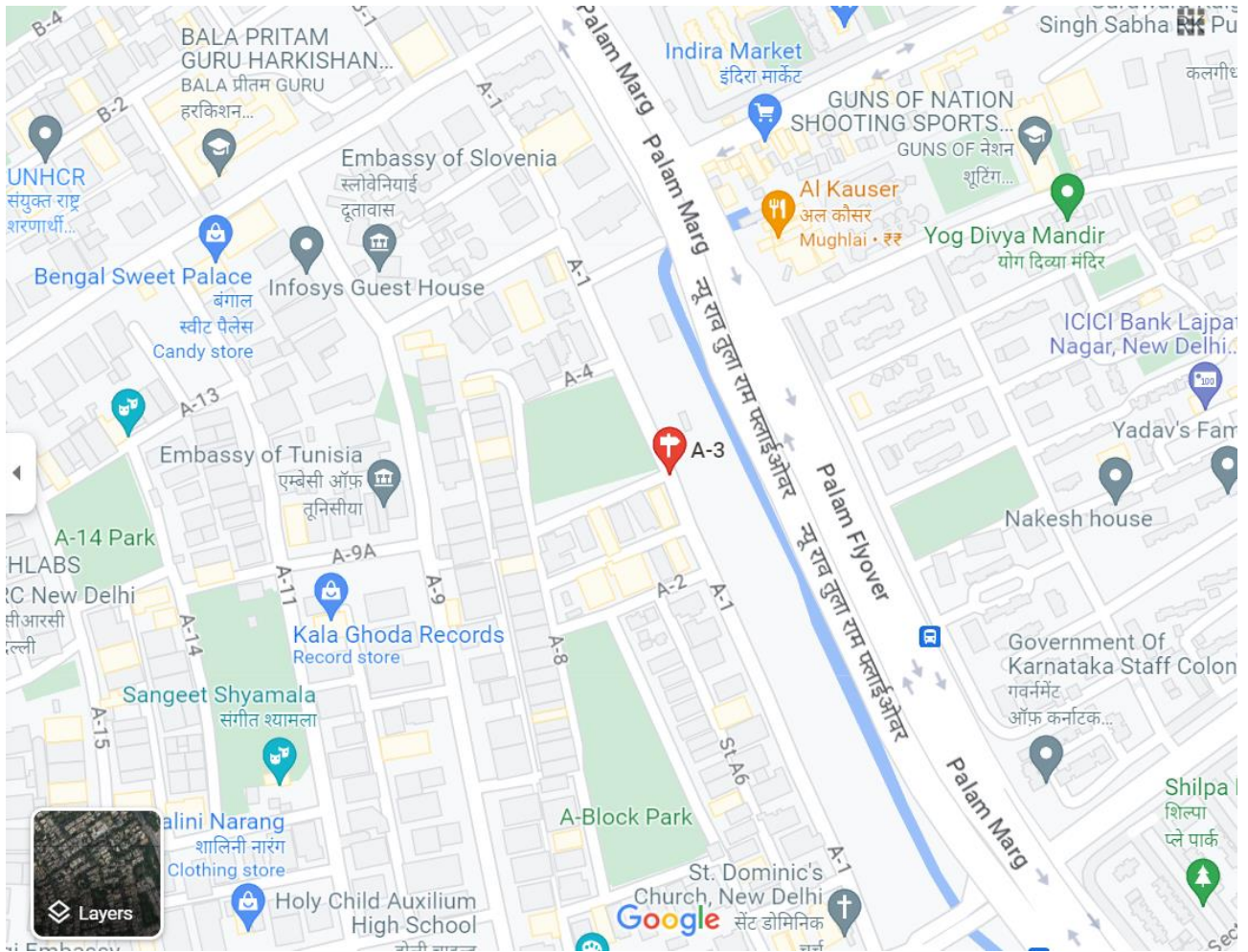
Affix
Revenue
Stamp of Rs.1

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting.

2. If you leave the “for”, “against”, “abstain” column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Route Map:



DIRECTORS' REPORT

Dear Shareholder(s),

Your Directors are pleased to present the 1st Directors' Report along with the audited Financial Statements of your Company for the period ended March 31, 2023.

1. FINANCIAL PERFORMANCE

The Audited Financial Statements of your Company as on March 31, 2023, are prepared in accordance with the relevant applicable Ind AS and the provisions of the Companies Act, 2013.

The summarized financial highlight is depicted below:

Particulars	(Rs. In million)	
	Consolidated	Standalone
	2022-2023	2022-2023
Revenue and Other Income	3981.23	9.21
Profit / (Loss) before Depreciation, Interest and Tax & Exceptional items	1302.22	(222.93)
Finance Costs	983.41	13.61
Depreciation and Amortisation	1525.20	-
Exceptional item	-	-
Profit/(Loss) before Tax	(1206.39)	(209.32)
Less : Provision for Tax & (deferred tax assets)	(360.21)	(60.95)
Profit/(Loss) for the period from continuing operations	(846.17)	(148.36)
Profit (loss) from discontinuing operation	495.51	-
Other Comprehensive Income	(0.08)	-
Total Comprehensive Income/(Loss) for the period attributable to shareholders of the Company	(350.73)	(148.36)

2. RESULT OF OPERATIONS AND THE STATE OF AFFAIRS:

Your Company was incorporated on 25th April, 2022, with the object of develops, builds, owns, operates, and maintains utility-scale grid-connected Solar and Waste to Energy projects through its subsidiary companies. Your Company has focused on decarbonization of power generation and is helping India meet its sustainability goals. As on 31st March 2023, the SAEL group has contracted solar capacity of 712.13 MW and also setup 150 MW solar PV Module assembly plant scalable to 300 MW. Further, as on 31st March 2023, the SAEL has a total WTE capacity of 165.5 MW across 11 projects including operating WTE capacity of 65.5 MW and additional 100MW of Waste to Energy capacity is in Under-construction phase.

The Company is targeting to achieve 3000 MW renewable energy capacity by the end of financial year 2023-24.

3. SHARE CAPITAL

Authorised Share Capital:

During the period under review, the Company has increased its authorised share capital in the following manners:

1. From Rs. 100,000/- (Rupees One Lac Only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten each) to Rs. 66,00,00,000/- (Rupees Sixty Six Crore Only) divided into 6,60,00,000 (Six Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each in the Extra-Ordinary General Meeting of members held on 30th April, 2022.
2. From Rs. 66,00,00,000/- (Rupees Sixty Six Crore Only) divided into 6,60,00,000 (Six Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 78,38,00,000/- (Rupees Seventy Eight Crore Thirty Eight Lakhs Only) divided into 6,60,00,000 (Six Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,23,80,000 (One Crore Twenty Three Lakhs Eighty Thousand) Preference Shares of Rs. 10 (Rupees Ten) each in the Extra-Ordinary General Meeting of members held on 24th January, 2023.

At present Authorised Share Capital of the Company is Rs. 78,38,00,000/- (Rupees Seventy Eight Crore Thirty Eight Lakhs Only) divided into 6,60,00,000 (Six Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,23,80,000 (One Crore Twenty Three Lakhs Eighty Thousand) Preference Shares of Rs. 10 (Rupees Ten) each.

Paid-up Share Capital:

During the period under review, the Company has increased its paid-up share capital in the following manners:

1. The Company has allotted 46122097 Equity Shares on preferential basis in the meeting of Board of Directors held on 04th July, 2022 to the shareholders of SAEL Limited and becomes the holding company of SAEL Limited; and
2. The Company has allotted 100 Equity Shares & 8139900 Compulsory Convertible Preference Shares (CCPS) on private placement basis in the meeting of Board of Directors held on 17th February, 2023.

At present the Paid up share capital of the Company is Rs. 54,26,90,970/- (Rupees Fifty Four Crores Twenty Six Lakhs Ninety Thousand Nine Hundred Seventy only) divided into 4,61,29,197 (Four Crores Sixty One Lakhs Twenty Nine Thousand One Hundred Ninety Seven only) Equity Shares of Rs. 10 each & 81,39,900 Compulsory Convertible Preference Shares (CCPS) of Rs. 10 each.

4. DIVIDEND

The Board of Directors ("Board"), after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your Company is currently engaged with, has decided that it would be prudent not to recommend any dividend for the financial year 2022-23.

5. GENERAL RESERVE

During the financial year 2022-23, no amount is transferred to the General Reserve.

6. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

7. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company, during the period ended 31st March, 2023.

8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2023 your Company has 1 (One) subsidiary company & 22 (Twenty Two) step down subsidiaries and the Company does not have any Associate & Joint Venture as on 31st March, 2023.

The details of subsidiaries are given below:

S. No.	Company Name	CIN	% of controlling
	Subsidiary Company		
1	SAEL Limited	U40101PB1999PLC023197	100%
	Subsidiary Companies of SAEL Limited		
1	Canal Solar Energy Private Limited	U40300PB2017PTC045990	100%
2	Jasrasar Green Power Energy Private Limited	U40100PB2022PTC055138	100%
3	KTA Powers Private Limited	U40100DL2020PTC374837	100%
4	Laxjeet Renewable Energy Private Limited	U40300PB2016PTC045339	100%
5	Native Power Private Limited	U74999PB2020PTC051112	100%
6	SAEL Engineering Private Limited	U29300PB2021PTC053089	100%
7	SAEL EV Infra Private Limited	U35923PB2020PTC051902	100%
8	SAEL Kaithal Renewable Energy Private Ltd.	U40107PB2021PTC053197	100%
9	SAEL Power Private Limited	U74110PB2018PTC047539	100%
10	SAEL RE Power Private Limited	U40108PB2022PTC055361	100%
11	SAEL Solar India Private Limited	U40300PB2018PTC047497	100%
12	SAEL Solar Mfg. Private Limited	U31909PB2022PTC055360	100%
13	SAEL Solar Solutions Private Limited	U40106PB2022PTC055363	100%
14	Sardarshahar Agri Energy Private Limited	U40107PB2022PTC055137	100%
15	Sunfree Energy Private Limited	U40107DL2018PTC337346	100%
16	Sunfree North East Renewable Energy Pvt. Ltd.	U40106PB2020PTC051164	100%
17	Sunfree Paschim Renewable Energy Pvt. Ltd.	U40106PB2020PTC051175	100%
18	TNA Renewable Energy Private Limited	U40100DL2020PTC375171	100%
19	Universal Biomass Energy Private Limited	U40100PB2005PTC028850	100%
20	Urjanidhi Solar Private Limited	U40106PB2018PTC048731	100%
21	VCA Power Private Limited	U40106PB2020PTC051884	100%
	Subsidiary Companies of Universal Biomass Energy Private Limited		
1	Chattargarh Renewable Energy Private Limited	U40200PB2022PTC055150	100%

9. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

The performance and financial position of each of the subsidiary Company for the period ended 31st March, 2023 in the prescribed format AOC-1 is attached as “Annexure A” to this Report.

10. MATERIAL CHANGES

There are no material changes affecting the affairs of the Company since the date of Balance Sheet and up to the date of this report.

11. MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTOR

The Board of directors of the Company has evaluated its own performance and the performance of its committee and individual directors on various set parameters. The policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) and senior management and other employees contains the methodologies of evaluation criteria. The Board found its own performance and performance of each director individually and of its committee satisfactory.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of section 134 (5) of the Companies Act, 2013, and based on the representations received from the operating management, the directors hereby confirm that:

- (i) In the preparation of the annual accounts for the period ended 31st March, 2023, the applicable accounting standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the period and of the profit of the Company for the period;
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 (6) of the Companies Act 2013.

14. AUDITORS

During the period ended on 31st March 2023, M/s. Varinder Mohan Singhal & Associates, Chartered Accountant has appointed as First Auditor of the Company in the Board Meeting held on 6th May, 2022 and they resigned from the post of Statutory Auditors dated 17th April, 2023. Thereafter, M/s G.D. Singhal & Associates, Chartered Accountant has appointed as Statutory Auditors of the Company to fill the casual vacancy and M/s. Walker Chandoik & Co. LLP, Chartered Accountant has appointed as Joint Statutory Auditors of the Company for the FY 2022-23 in the meeting of Members of the Company held on 20th April, 2023.

The Statutory Auditors have confirmed that they are not disqualified to continue as Statutory Auditors and are eligible to hold office as Statutory Auditors of your Company.

15. AUDITORS' REPORT

The Auditors' report on audited financial statements for the period ended 31st March, 2023 does not contain any qualifications, reservation and reverse marks.

16. REPORTING OF FRAUDS BY AUDITORS

During the financial year 2022-23, the Statutory Auditors have not reported any instances of fraud committed against the Company by its officers or employees to the Board under Section 143(12) of the Companies Act 2013.

17. SECRETARIAL AUDITOR

The Company has not fall in the criteria under the provisions of Section 204 of Companies Act, 2013, therefore Secretarial Audit is not applicable on the Company for the FY 2022-23.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of March 31, 2023, your Company's Board had 4 members comprising of 3 (Three) Executive Directors & 1 (One) Non-Executive Independent Director.

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of the Company, Mr. Sukhbir Singh (DIN: 01785240) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

During the financial year 2022-23, Mr. Harbhajan Singh was appointed as an Additional Director (Non-Executive & Independent) of the Company with effect from 29th March, 2023 and his appointment will regularise by the members in the ensuing Annual General Meeting.

The details of Directors as on date of Board report are given below:

SI. No.	Name of Director	Designation	Date of Appointment	Date of Resignation
1.	Mr. Jasbir Singh	Director	25/04/2022	N.A.
2.	Mr. Sukhbir Singh	Director	25/04/2022	N.A.
3.	Mr. Laxit Awla	Director	25/04/2022	N.A.
4.	Mr. Harbhajan Singh	Additional Director	29/03/2023	N.A.
5.	Mr. Inge Karsten Stoelen	Additional Director	07/06/2023	N.A.

19. NUMBER OF MEETING OF BOARD OF DIRECTORS

15 (Fifteen) meetings of Board of Directors of the Company were held during the financial year 2022-23 and the Company has complied with all applicable Secretarial Standards in respect of meeting of Board of Directors.

20. ANNUAL RETURN

Annual return of the Company will be uploaded on the company website www.sael.co as per statutory requirement.

21. ENVIRONMENTAL & CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, is annexed as “Annexure-B”.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising

of policies and procedures are designed to ensure liability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used.

24. COST RECORD

The provision of Cost Record as per section 148 of the Companies Act, 2013 is not applicable to the Company for the FY 2022-23.

25. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2022-23, provisions with respect to the constitution of Corporate Social Responsibility committee under Section 135 of the Companies Act, 2013 is not applicable to the Company. Therefore, Corporate Social Responsibility clause is not applicable for the FY 2022-23.

26. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the Financial Year 2022-23, the Company has received zero complaints of sexual harassment.

27. DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

During the financial year 2022-23, the above clause is not applicable to the Company.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the period ended 31st March, 2023 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the period under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the period, as per Ind AS-24 Related Party Disclosures is given in the Financial Statement of the Company as on 31st March, 2023.

29. RISK MANAGEMENT

Your Company also has a Risk Management Framework in place covering all critical areas of operation. This framework is reviewed periodically keeping in mind the business dynamics and external environment and provides the guidelines for managing the various risks across the business.

30. VIGIL MECHANISM

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 has established a Vigil Mechanism.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

The Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

31. AUDIT COMMITTEE

During the financial year 2022-23, provisions with respect to the constitution of Audit Committee under Section 177 of the Companies Act, 2013 is not applicable to the Company.

32. NOMINATION & REMUNERATION COMMITTEE

During the financial year 2022-23, provisions with respect to the constitution of Nomination & Remuneration Committee under Section 178 of the Companies Act, 2013 is not applicable to the Company.

33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURT AND TRIBUNALS

No significant and material order has been passed by the regulators, court and tribunals impact the going concern status and Company's operation in future.

34. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

Neither any application was made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

35. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

As Company has not done any one-time settlement during the period under review hence no disclosure is required.

36. ACKNOWLEDGEMENT

The relations between the employees and the management have remained cordial during the period, and the Directors wish to place on record their appreciation, co-operation and support from employees at all levels.

By Order of the Board

For SAEL Industries Limited



**Jasbir Singh
(Director)
DIN- 01668231**



**Sukhbir Singh
(Director)
DIN- 01785240**

Date: August 3, 2023

Place: Delhi

Annexure-A**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with Rs. in Million)

S l. N o.	Name of the subsidiary	Report ing period for the subsidi ary concer ned, if differe nt from the holdin g compa ny's reporti ng period	Re por tin g cur ren cy and Ex cha ng e rat e as on the las t dat e of the rel eva nt Fin anc ial yea r in the cas e of for eig n sub sid	S h ar e ca pi ta l	R es er ve & su rp lu s	T ot al as se ts	To tal Li ab ilit ies	Inv est me nts	Tu rn ov er	Pr of it be fo re ta xa ti o n	Pr ov isi on fo r ta xa tio n	Pr of it af te r ta xa ti o n	Pr op os ed Di vi de nd	% of sha reh oldi ng
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			ari es											
1	SAEL Limited	04.07.2 022 to 31.03.2 023	N. A	2 3 7 6. 1 0	12 45 9. 62	30 89 5. 03	18 62 8.1 1	256 8.8 3	27 65 .8 5	(7 24 .6 9)	0. 00	(7 24 .6 9)	0. 00	100 %
2	Canal Solar Energy Private Limited	04.07.2 022 to 31.03.2 023	N. A	2 3 0. 0 0	(5 0. 82)	10 14 .8 6	83 5.6 8	0.0 0	24 .9 2	(2 4. 02)	0. 00	(2 4. 02)	0. 00	100 %
3	Chattargarh Renewable Energy Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 1 0	1. 11	31 4. 40	31 3.1 9	0.0 0	0. 00	1. 50	0. 39	1. 11	0. 00	100 %
4	Jasrasar Green Power Energy Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 1 0	1. 14	32 5. 45	32 4.2 1	0.0 0	0. 00	1. 54	0. 40	1. 14	0. 00	100 %
5	KTA Powers Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 1 0	(0. 03)	37 3. 67	37 3.5 9	0.0 0	0. 00	(0. 01)	0. 00	(0. 01)	0. 00	100 %
6	Laxjeet Renewable Energy Private Limited	04.07.2 022 to 31.03.2 023	N. A	9 6. 0 0	(2 4. 57)	47 9. 91	40 8.4 8	0.0 0	35 .5 1	(1 9. 08)	0. 00	(1 9. 08)	0. 00	100 %
7	Native Power Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 1 0	(0. 05)	0. 12	0.0 8	0.0 0	0. 00	(0. 01)	0. 00	(0. 01)	0. 00	100 %
8	SAEL Engineering Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 0 1	6. 96	24 7. 24	24 0.1 7	0.0 0	33 6. 70	8. 22	2. 14	6. 08	0. 00	100 %
9	SAEL EV Infra Private Limited	04.07.2 022 to 31.03.2 023	N. A	0. 1 0	(0. 06)	1. 42	1.3 8	0.0 0	0. 00	(0. 02)	0. 00	(0. 02)	0. 00	100 %

10	SAEL Kaithal Renewable Energy Private Limited	04.07.2022 to 31.03.2023	N. A	2010	44946	2260.53	1790.98	0.00	183.94	(42.50)	0.00	(42.50)	0.00	100%
11	SAEL Power Private Limited	04.07.2022 to 31.03.2023	N. A	010	(0.13)	0.10	0.13	0.00	0.00	(0.02)	0.00	(0.02)	0.00	100%
12	SAEL RE Power Private Limited	04.07.2022 to 31.03.2023	N. A	010	(0.04)	0.58	0.52	0.00	0.00	(0.02)	0.00	(0.02)	0.00	100%
13	SAEL Solar India Private Limited	04.07.2022 to 31.03.2023	N. A	010	(0.13)	0.09	0.12	0.00	0.00	(0.01)	0.00	(0.01)	0.00	100%
14	SAEL Solar Mfg. Private Limited	04.07.2022 to 31.03.2023	N. A	5010	16865	719.97	501.22	0.00	31.23	(41.47)	0.00	(41.47)	0.00	100%
15	SAEL Solar Solutions Private Limited	04.07.2022 to 31.03.2023	N. A	010	(1.72)	16.47	18.10	0.00	0.00	0.56	0.15	0.41	0.00	100%
16	Sardarshahar Agri Energy Private Limited	04.07.2022 to 31.03.2023	N. A	010	1.11	329.72	328.51	0.00	0.00	1.50	0.39	1.11	0.00	100%
17	Sunfree Energy Private Limited	04.07.2022 to 31.03.2023	N. A	010	(0.19)	2.27	2.35	0.00	0.00	(0.01)	0.00	(0.01)	0.00	100%
18	Sunfree North East Renewable Energy Private Limited	04.07.2022 to 31.03.2023	N. A	955	219.76	1169.18	939.87	0.00	7.22	(55.17)	0.00	(55.17)	0.00	100%
19	Sunfree Paschim Renewable Energy Private Limited	04.07.2022 to 31.03.2023	N. A	1541	224.49	1185.5	945.95	0.00	88.09	(94.15)	0.00	(94.15)	0.00	100%

20	TNA Renewable Energy Private Limited	04.07.2022 to 31.03.2023	N. A	0.01	0.40	328.03	327.63	0.00	0.00	0.56	0.14	0.41	0.00	100%
21	Universal Biomass Energy Private Limited	04.07.2022 to 31.03.2023	N. A	281.42	489.00	2509.60	1741.72	2.54	398.90	(15.17)	3.37	(18.53)	0.00	100%
22	Urjanidhi Solar Private Limited	04.07.2022 to 31.03.2023	N. A	0.10	(0.12)	0.10	0.12	0.00	0.00	(0.01)	0.00	(0.01)	0.00	100%
23	VCA Power Private Limited	04.07.2022 to 31.03.2023	N. A	0.10	(0.03)	317.28	317.21	0.00	0.00	(0.01)	0.00	(0.01)	0.00	100%

1. Names of subsidiaries which are yet to commence operations : NA

By Order of the Board

For SAEL Industries Limited



Jasbir Singh
(Director)
DIN- 01668231



Sukhbir Singh
(Director)
DIN- 01785240

Date: August 3, 2023

Place: Delhi

ANNEXURE - B

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

- Your Company along with its subsidiaries is engaged in the business of EPC and generation of energy using Waste to Energy and Solar energy.
- Your Company has introduced several initiatives which include development of semi-automatic module cleaning system, which helped for 99% less Fresh Water consumption per unit of generation. Pipeline with booster pumps installed all across the plant layouts to ensure faster cleaning of modules We have Dedicated team for regular cleaning of module to ensure optimum generation.
- Our plants are connected with state transmission utilities through dedicated lines and not through shared lines or connected to distribution feeder sub stations, this leads to minimum grid downtime.
- Developed solar weather resource prediction intelligence for longer-term decision-making leveraging complex physical, statistical and hybrid models.
- Driven better inventory management, improved man-power utilization, increased-uptime of the plants using predictive & prescriptive Artificial Intelligence / Machine Learning models.

ii) Steps taken by the company for utilizing alternate sources of energy:

Your Company is already engaged in the business of generation of energy using waste to energy and solar energy and thereby using eco-friendly source of generation of energy.

(iii) Capital investment on energy conservation equipment:

Since the plants of the Company are connected with state transmission utilities, the Company is not required to conserve the energy generated out of the power plants.

B. Technology Absorption:

Efforts made towards technology absorption:

- We have an experience in-house technology, design and engineering team which constantly evaluates the technological advancements in all major equipment contained in a Solar and waste to energy plants. With this combination, we are able to use cutting edge commercialized technologies in our plants and these are designed to provide maximum performance for the invested capital. We are committed to IFC Standards during construction and operations of all the projects.
- We have been experimenting with our value engineering approach to make our projects more economically viable to improve efficiency, plant availability and output and, as a result, profitability.
- Your company has an in-house EPC arm which enables it to design and construct projects at lowest cost, achieves optimum plant designs and saves margins made in outsourcing EPC to other players.
- Your company is entering into Solar PV Module assembly unit with an envisaged capacity of 300MW plant which will have the capacity to produce a variety of modules ranging from 330Wp 540 Wp.
- The entire portfolio has been monitored by the in-house team of plant technicians, engineers and subject matter experts. A renewable power plant may on the face of it seem simple to operate, the sun shines and the power is generated but the challenge lies in how deep and granule the data monitoring & analysis can go so as to pick up the smallest possible fault, in the generating component and rectify them on time so that the plant keeps operating at the most optimal level possible every single day.
- Daily, Weekly and Monthly monitoring tests for preventive maintenance of all plant equipment including electrical / mechanical / other to improve plant availability.

- Dedicated Engineer for regular monitoring of transmission line from plant to sub station to avoid any grid failure due to TL related issues.
- Continuous Monitoring of plant performance through SCADA and online monitoring system both at site and HO.
- Your company has partnered with reputable suppliers like Canadian Solar, ABB, Hitachi, Renesola, etc. for the solar modules and inverter supply.
- The investment in high quality supplier technology ensures longer life and optimal performance of the projects.
- The Waste to energy plant generation takes place in a controlled environment and the controlled paddy straw disposal helps reduce deterioration of soil and quality.
- The Company is effectively utilizing paddy straw in operating Waste to Energy plants, thereby providing a better alternative to burning of Agri residue.
- We have partnered with global technology suppliers such as BWSC to develop waste to energy technology for Indian conditions.
- Our boilers are optimized to deliver; maintain high boiler and steam efficiency, low maintenance and operation costs.
- The ultimate beneficiary through lower pollution levels, sustainable power generation, rural employment and skill development.
- Our waste to energy plants are equipped with latest air-cooled boilers instead of more common water-cooled boilers.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): **Not Applicable**

Expenditure incurred on Research and Development: **Not Applicable**

C. Foreign Exchange earnings & outgo:

		(Rs. In million)
		FY 2022-23
Particulars		
Earnings		-
Outflows		88.54

By Order of the Board

For SAEL Industries Limited



Jasbir Singh
(Director)
DIN- 01668231



Sukhbir Singh
(Director)
DIN- 01785240

Date: August 3, 2023

Place: Delhi

Independent Auditor's Report on Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

To the Board of Directors of SAEL Industries Limited

Opinion

1. We have audited the accompanying Special Purpose Consolidated Financial Statements of **SAEL Industries Limited** ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1 which comprise the Special Purpose Consolidated Balance Sheet as at 31 March 2023, the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Consolidated Statement of Cash Flows and the Special Purpose Consolidated Statement of Changes in Equity for the period then ended, and notes to the Special Purpose Consolidated Financial Statements, including a material accounting policy information and other explanatory information (together hereinafter referred to as 'Special Purpose Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries, the accompanying Special Purpose Consolidated Financial Statements are prepared, in all material respects, in accordance with the basis of preparation described in Note 2.02 to these Special Purpose Consolidated Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Composite Scheme of Arrangement

4. We draw attention to Note 48 of the accompanying Special Purpose Consolidated Financial Statements which describes that the Group has given effect to the Composite Scheme of Arrangement (the "Scheme") entered between the Holding Company, Sapphire Agri and Warehousing Private Limited and their respective shareholders and creditors, for the demerger of the Warehousing and Agri business ("Demerged Undertaking") of SAEL Limited, wholly owned subsidiary, with effect from the appointed date of 01 January 2023, as approved by the National Company law Tribunal (NCLT) on 06 May 2025, in accordance with the accounting treatment prescribed by the Scheme as described further in the aforementioned note. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Preparation and Restriction on Use

5. We draw attention to Note 2.02 to the accompanying Special Purpose Consolidated Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Financial Statements have been prepared by the Holding Company's management solely for the purpose of preparation of Restated Consolidated Financial Information of the Group for the period ended 31 March 2023, to be included in the Draft Red Herring Prospectus ('DRHP'), which is to be filed by the Holding Company with Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed Initial Public Offer of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used or referred to for any other purpose without our prior written consent. Further, we do not accept or assume any

accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

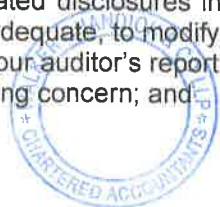
Our opinion is not modified in respect of this matter.

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

6. The accompanying Special Purpose Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for preparation of these Special Purpose Consolidated Financial Statements in accordance with the basis of preparation described in note 2.02 including determining that such basis of preparation is acceptable in the circumstances to such Special Purpose Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for design, implementation and maintenance of internal controls, relevant to the preparation of the Special Purpose Consolidated Financial Statements that are, in all material respects, in accordance with the basis of preparation specified in aforementioned note 2.02, free from material misstatement, whether due to fraud or error.
7. In preparing the Special Purpose Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

9. Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated 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 Special Purpose Consolidated Financial Statements.
10. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Consolidated 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 Group to cease to continue as a going concern; and



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Special Purpose Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Special Purpose Consolidated Financial Statements, of which we are the independent auditors. For the other entities included in the Special Purpose Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

12. The Holding Company had also prepared a separate set of consolidated financial statements for the period ended 31 March 2023 in accordance with Indian Accounting Standards as specified under Companies (Indian Accounting Standards) Rules 2015 (as amended) prescribed by Section 133 of the Act and other accounting principles generally accepted in India which had been jointly audited by Walker Chandiook & Co. LLP and G.D. Singhal & Associates and had expressed an unmodified opinion on those consolidated financial statements vide audit report dated 03 August 2023 to the members of the Company. Our opinion is not modified in respect of this matter.
13. We did not audit the financial statements of 9 step down subsidiaries, whose financial statements reflects total assets of ₹ 270.44 millions as at 31 March 2023, total revenues of ₹ 385.98 millions, and net cash flow inflow amounting to ₹ 10.58 millions for the period then ended on that date, as considered in the Special Purpose Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Special Purpose Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

We have not jointly audited the financial statements of 10 subsidiaries (including 9 step down subsidiaries), whose financial statements reflects total assets of ₹ 25,222.44 millions as at 31 March 2023, total revenues of ₹ 20,702.82 millions and net cash inflows amounting to ₹ 4,048.18 millions for the period ended on that date, as considered in the Special Purpose Consolidated Financial Statements. Out of above, financial statements of 1 subsidiary, whose financial statements reflects total assets of ₹ 20,265.43 millions as at 31 March 2023, total revenues of ₹ 3,945.98 millions and net cash inflows amounting to ₹ 3,107.34 millions for the period ended on that date, as considered in the Special Purpose Consolidated Financial Statements, have been jointly audited by Walker Chandiook & Co LLP, Anil Sood & Associates and CVB & Associates, financial statements of 8 step down subsidiaries, whose financial statements reflects total assets of ₹ 4,957.01 millions as at 31 March 2023, total revenues of ₹ 222.35 millions and net cash inflows amounting to ₹ 958.13 millions for the period ended on that date, as considered in the Special Purpose Consolidated Financial Statements, have been jointly audited by one of the joint auditors, Walker Chandiook & Co LLP along with another auditor, Anil Sood & Associates, financial statements of 1 subsidiaries, whose financial statements reflects total assets of ₹ Nil as at 31 March 2023, total revenues of ₹ 16,534.51 millions and net cash outflows amounting to ₹ 17.29 millions for the period ended on that date, as considered in the Special Purpose Consolidated Financial Statements, have been solely audited by one of the joint auditors, G.D. Singhal & Associates and our opinion on the Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of respective auditors as mentioned above.

Our opinion above on the Special Purpose Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of other auditors.

14. We did not audit the financial information of 3 step down subsidiaries, whose financial information reflects total assets of ₹ 99.16 millions as at 31 March 2023, total revenues of ₹ 1.04 millions and net cash inflows amounting to ₹ Nil for the period ended on that date, as considered in the Special Purpose Consolidated Financial Statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.



Chartered Accountant



Our opinion above on the Special Purpose Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun

Tarun Gupta

Partner

Membership No.: 507892



UDIN: 25507892BMNSRW5089

Place: Gurugram

Date: 14 October 2025

For G.D. Singhal & Associates

Chartered Accountants

Firm's Registration No.: 017648N

Gagan Deep Singhal

Gagan Deep Singhal

Partner

Membership No.: 098947



UDIN: 25098947BMLZUD9075

Place: Gurugram

Date: 14 October 2025

Annexure A – List of entities included in the statement**Name of the Holding Company**

1. SAEL Industries Limited

List of Subsidiary Companies

1. SAEL Limited

List of Step-down Subsidiaries (Subsidiaries of SAEL Limited)

1. Canal Solar Energy Private Limited
2. Universal Biomass Energy Private Limited
3. H.S. Awla Foundation
4. Jasrasar Green Power Energy Private Limited
5. KTA Power Private Limited
6. Laxjeet Renewable Energy Private Limited
7. Native Power Private Limited
8. VCA Power Private Limited
9. SAEL Engineering Private Limited
10. SAEL EV Infra Private Limited
11. SAEL International Limited, Hong Kong
12. SAEL Kaithal Renewable Energy Private Limited
13. SAEL Power Private Limited (till 13 January 2025)
14. SAEL RE Power Private Limited
15. SAEL Solar India Private Limited
16. SAEL Solar Mfg. Private Limited
17. SAEL Solar Solution Private Limited
18. Sardarshahar Agri Energy Private Limited
19. Sunfree Energy Private Limited
20. Sunfree North East Renewable Energy Private Limited
21. Sunfree Paschim Renewable Energy Private Limited
22. TNA Renewable Energy Private Limited
23. Urjanidhi Solar Private Limited (till 13 January 2025)
24. Sukhbir Singh and Company
25. SAEL Agri Commodities Limited

List of Step-down subsidiaries – (Subsidiary of Universal Biomass Energy Private Limited)

1. Chattargarh Renewable Energy Private Limited



SAEL Industries Limited
CIN - U40106PB2022PLC055755
Special Purpose Consolidated Balance Sheet as at 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2023
Assets		
Non current assets		
Property, plant and equipment	3	12,377.67
Right-of-use assets	3	52.05
Capital work-in-progress	4	1,173.92
Goodwill	5	45.89
Other intangible assets	5	6.44
Financial assets		
Investments	6	2.00
Other financial assets	7	337.55
Deferred tax assets (net)	8	122.90
Non-current tax assets (net)	9	6.59
Other non current assets	10	1,157.11
Total non current assets		15,282.12
Current assets		
Inventories	11	1,642.68
Financial assets		
Investments	12	5.71
Trade receivables	13	803.12
Cash and cash equivalents	14	4,975.78
Bank balances other than cash and cash equivalents above	15	1,077.34
Other financial assets	16	403.35
Current tax assets (net)	9	-
Other current assets	17	521.61
Total current assets		9,429.59
Total assets		24,711.71
Equity and liabilities		
Equity		
Equity share capital	18	461.29
Other equity	19	842.54
Total equity		1,303.83
Liabilities		
Non current liabilities		
Financial liabilities		
Borrowings	20	12,624.23
Lease liabilities	21	36.85
Other financial liability	22	3,318.80
Provisions	23	28.71
Deferred tax liabilities (net)	8	405.30
Other non current liabilities	24	388.02
Total non current liabilities		16,801.91
Current liabilities		
Financial liabilities		
Borrowings	25	3,933.29
Lease liabilities	21	4.70
Trade payables		-
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	506.54
Other financial liabilities	27	1,918.52
Other current liabilities	28	221.75
Provisions	29	21.17
Current tax liabilities (net)	30	-
Total current liabilities		6,605.97
Total liabilities		23,407.88
Total equity and liabilities		24,711.71

Material accounting policy information 2
The accompanying notes are an integral part of these special purpose consolidated financial information.

As per our report of even date attached

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

Tarun Gupta
Partner
Membership No. 50788

Place: New Delhi
Date: 14 October 2025



For G.D. Singhal & Associates
Chartered Accountants
Firm's Registration No.: 0017648N

Gagan Deep Singhal
Partner
Membership No. 00894

Place: New Delhi
Date: 14 October 2025



For and on behalf of the Board of Directors
SAEL Industries Limited

Jasbir Singh
Managing Director
DIN- 01668231

Place: New Delhi
Date: 14 October 2025

Dishyant Kumar
Chief Financial Officer
PAN: APNPK8847H

Place: New Delhi
Date: 14 October 2025

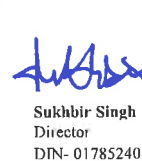


Sukhbir Singh
Director
DIN- 01785240

Place: New Delhi
Date: 14 October 2025

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 14 October 2025



SAEL Industries Limited
CIN - U40106PB2022PLC055755
Special Purpose Consolidated Statement of Profit and Loss for the period ended on 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)

Particulars	Notes	For the period from 25 April 2022 to 31 March 2023
Continuing operations		
Income		
Revenue from operations	31	3,889.33
Other income	32	91.90
Total income		3,981.23
Expenses		
Cost of materials consumed	33	1,512.89
Employee benefits expense	34	364.50
Finance costs	35	983.41
Depreciation and amortisation expense	36	1,525.19
Fair value changes on financial instrument	22	62.80
Other expenses	37	738.79
Total expenses		5,187.58
Loss before tax and exceptional items		(1,206.35)
Exceptional items	38	-
Loss before tax		(1,206.35)
Tax expense		
Current tax expense		0.57
Adjustment of tax relating to earlier periods		-
Deferred tax credit		(360.79)
Total tax expense		(360.22)
Loss for the period from continuing operations		(846.13)
Discontinued operations		
Profit before tax from discontinued operations		190.72
Tax expense of discontinued operations (including tax relating to earlier periods)		55.28
Profit after tax from discontinued operations		135.44
Loss for the period		(710.69)
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss and their related income tax effect</i>		
Remeasurements of defined benefit plans		(0.12)
Income tax relating to items that will not be reclassified to profit or loss		0.04
Exchange gain/(loss) on translating the financial statements of foreign operations		-
<i>Items that will be reclassified to profit or loss and their related income tax effects</i>		
Effective portion of gains and losses on hedging instrument in a cash flow hedge		-
Effective portion of gains and losses on hedging instrument in a cash flow hedge reclassified to profit and loss		-
Cost of hedging- changes in fair value		-
Cost of hedging- reclassified to profit or loss		-
Income tax relating to items that will be reclassified to profit or loss		-
Total other comprehensive income, net of tax		(0.08)
Total comprehensive income for the period		(710.77)
Earnings per equity share (face value of Rs. 5/- each, fully paid up)	42	
Basic and diluted earning per share from continuing operations		(0.95)
Basic and diluted earning per share from discontinued operations		1.32
Basic and diluted earning per share from continuing and discontinued operations		0.37

Material accounting policy information
The accompanying notes are an integral part of these special purpose consolidated financial information.

As per our report of even date attached

For Walker Chandok & Co LLP
Chartered Accountants
Firm's Registration No. 0010765/14500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 14 October 2025

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

Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 14 October 2025

For and on behalf of the Board of Directors
SAEL Industries Limited

Jashbir Singh
Managing Director
DIN- 01668231

Place: New Delhi
Date: 14 October 2025

Dushyant Kumar
Chief Financial Officer
PAN: APNPK8847H

Place: New Delhi
Date: 14 October 2025

Sukhbir Singh
Director
DIN- 01785240

Place: New Delhi
Date: 14 October 2025

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 14 October 2025



SAEL Industries Limited
CIN - U40106PB2022PLC055755

Special Purpose Consolidated Statement of Cash Flows for the period ended on 31 March 2023

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

Particulars	For the period from 25 April 2022 to 31 March 2023
A. Cash flows from operating activities	
Loss before tax from continuing operations	(1,206.35)
Profit before tax from discontinued operations	190.72
Adjustments for:	
Depreciation and amortisation expense	1,525.19
Provision for doubtful debts	1.09
Finance costs	983.41
Advances written off	81.99
Loss on sale of property, plant and equipment (net)	-
Loss due to exceptional items	-
Interest income on bank deposits	(44.46)
Amortisation of deferred revenue	(35.64)
Realised gain on foreign exchange fluctuation (net)	-
Liabilities written back	(1.12)
Unwinding of other financial assets	-
Gain on sale of property, plant and equipment (net)	(0.88)
Gain on sale of mutual fund	-
Fair value gain on mutual fund	(0.13)
Fair value changes of financial instruments	62.80
	1,556.62
Adjustments for changes in working capital	
- (Increase)/ decrease in trade receivables	(41.93)
- Decrease/(increase) in inventories	163.57
- (Increase)/ decrease in financial assets	(18.24)
- (Increase)/ decrease in other assets	585.94
- (Decrease)/ increase in trade payables	92.71
- (Decrease)/ increase in financial liabilities	137.35
- Increase in provisions	27.53
- Increase/(decrease) in other liabilities	145.66
Cash flows generated from operations	2,649.21
Income taxes paid (net)	(54.86)
Net cash generated from operating activities (A)	2,594.35
B. Cash flows from investing activities	
Payment made for property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(3,966.68)
Proceeds from sale of property, plant and equipment (Investments in) / proceeds from mutual funds (net)	1.26
Interest income on bank deposits	44.46
Proceeds/(payments) from/for investments	-
Investment in bank deposits (net)	(1,237.66)
Net cash used in investing activities (B)	(5,158.62)
C. Cash flows from financing activities	
Proceeds from non-current borrowings	13,818.00
Repayment of non-current borrowings	(7,149.58)
Movement in current borrowing (net)	(32.30)
Adjustment pursuant to the scheme	(1,414.55)
Proceeds from issue of Compulsory Convertible Preference Share	3,256.00
Finance costs paid	(983.41)
Payment of principal lease liabilities	(7.74)
Net cash (used in)/ generating from financing activities (C)	7,486.42

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SAEL Industries Limited
CIN - U40106PB2022PLC055755

Special Purpose Consolidated Statement of Cash Flows for the period ended on 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)

Particulars	For the period from
	25 April 2022 to 31 March 2023
(Decrease)/Increase in cash and cash equivalents (A+B+C)	4,922.15
Cash and cash equivalents at the beginning of the period	53.63
Cash and cash equivalents at the end of the period	4,975.78

Note:

- (i) The above special purpose consolidated statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard-7 on Statement of cash flows as notified under section 133 of the Companies Act, 2013.
- (ii) Refer note 45 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Indian Accounting Standard-7 on Statement of cash flows.

Material accounting policy information

2

The accompanying notes are an integral part of these special purpose consolidated financial information.

As per our report of even date attached

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


Tarun Gupta
Partner
Membership No. 507893

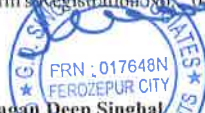
Place: New Delhi
Date: 14 October 2025



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


Gagan Deep Singhal
Partner
Membership No. 098947

Place: New Delhi
Date: 14 October 2025



For and on behalf of the Board of Directors
SAEL Industries Limited


Jasbir Singh
Managing Director
DIN- 01668231

Place: New Delhi
Date: 14 October 2025


Dushyant Kumar
Chief Financial Officer
PAN: APNPK8847H

Place: New Delhi
Date: 14 October 2025


Sukhbir Singh
Director
DIN- 01785240

Place: New Delhi
Date: 14 October 2025


Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 14 October 2025



A. Equity share capital

Particulars	Balance as at 25 April 2022	Issue of equity share capital during the period	Balance as at 31 March 2023
Equity share capital (refer note 19)	-	461.29	461.29

B. Other equity (refer note 19)

Particulars	Reserve and surplus			Other Comprehensive Income				Total
	Capital reserve	Securities premium	General reserve	Debiture redemption reserve	Retained earnings	Cash flow hedge reserve (refer note 19)	Cost of hedge reserve (refer note 19)	Foreign currency translation reserve
Balance as at 25 April 2022	50.36 (101.31)	-	610.51	-	7,983.38	-	-	8,656.43 (191.31)
Addition on account of capital recognition	-	-	-	-	(846.13)	-	-	(846.13)
Movement due to acquisition of subsidiary (refer note 52(iii))	-	-	-	-	135.44	-	-	135.44
Loss pertaining to continuing operations	-	-	-	-	(0.05)	-	-	(0.05)
Profit pertaining to discontinued operations	-	-	-	-	-	-	-	-
Other comprehensive income (net)	-	6,457.09	-	-	(97.52)	-	-	6,457.09
Addition during the period	-	-	-	97.52	(13,461.06)	-	-	(13,461.06)
Transferred from retained earnings to Debiture redemption reserve	-	-	-	-	-	-	-	-
Adjustment on account of scheme of arrangement (refer note 48)	-	-	-	-	-	-	-	-
Movement during the period	2.08 (47.97)	-	6,457.09	-	97.52	-	-	11.36
Balance as at 31 March 2023 (01 April 2023)	-	-	6,105.51	-	(6,285.98)	-	-	842.53

Material accounting policy information
The accompanying notes are an integral part of these special purpose consolidated financial information.

As per our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001000000000000000

Tarun Gupta

Partner

Membership No. 54784

Place: New Delhi

Date: 14 October 2023

For G.D. Singhal & Associates

Chartered Accountants

Firm's Registration No.: 017648N

Gagan Deep Singhal

Partner

Membership No. 098947

Place: New Delhi

Date: 14 October 2023

For and on behalf of the Board of Directors

SAEL Industries Limited

Jasbir Singh

Managing Director

DIN- 01666231

Place: New Delhi

Date: 14 October 2023

Vishal Garg

Company Secretary

Membership No. F6667

Place: New Delhi

Date: 14 October 2023



1 i) Corporate information

SAEL Industries Limited ('the Company' or 'the Holding Company'), together with its subsidiaries (collectively referred to as 'the Group') is a public limited company incorporated on 25 April 2022 under the provisions of the Companies Act, 2013. The Company is domiciled in India with its registered office situated at Faridkot Road, Guruharsahai, Distt. Ferozepur, Punjab. During the financial year 2023, 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 USD senior secured bonds issued by the certain subsidiaries via forming a "Restricted Group" to global investors are listed on India INR on 31 July 2024.

The Group is engaged in the business of supplying of electricity and other products using solar, fossil and alternate source of energy.

The special purpose consolidated financial statements have been prepared to comply in all respects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS'), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

2 Material accounting policy information

2.01 Statement of compliance

These Special Purpose Consolidated Financial statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the 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 Companies Act, 2013 (the "Act") (as amended from time to time).

2.02 Basis of preparation

The Special Purpose Consolidated Financial Statements of SAEL Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of Special Purpose Consolidated Balance Sheet as at 31 March 2023, the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Consolidated Statement of Cash Flows and the Special Purpose Consolidated Statement of Changes in Equity for the period then ended, and notes to the Special Purpose Consolidated Financial Statements including a material accounting policy information and other explanatory information (together hereinafter referred to as the 'Special Purpose Consolidated Financial Statements'), which have been prepared by Holding Company's management solely for the purpose of preparation of Restated Consolidated Financial Information of the Group for the period ended 31 March 2023, to be included in the Draft Red Herring Prospectus ('DRHP'), which is to be filed by the Holding Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, read with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed initial public offer of the Holding Company's equity shares.

These Special Purpose Consolidated Financial Statements have been prepared as per the accounting principles of Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India. These Special Purpose Consolidated Financial Statements contains a complete set of financial statement as described in Ind AS 1 'Presentation of Financial Statement' and Schedule III of the Companies Act, 2013. However, comparative financial information has not been furnished as it is not required for the specific purpose mentioned above.

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

Historical cost convention

The special purpose consolidated 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.

The special purpose financial statements of the Holding Company and the subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements". Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

As far as possible, the special purpose consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate special purpose financial statements.

The difference between the cost to the Company of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the special purpose consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the reporting date.

Special Purpose Consolidated financial statements include special purpose consolidated statement of assets and liabilities, special purpose consolidated statement of profit and loss, special purpose consolidated statement of cash flows, special purpose consolidated statement of changes in equity and the summary of material accounting policies and other explanatory information that form an integral part thereof.



Consolidated subsidiaries are having consistent reporting date of 31 March 2023. Below are the details of subsidiaries included in the special purpose consolidated financial statement:

Name of entity	Country of incorporation	Incorporation Date	Proportion (%) of equity interest
			31 March 2023
A Subsidiary			
1 SAEL Limited	India	21-Dec-99	100%
B Step Down Subsidiaries			
1 Universal Biomass Energy Private Limited	India	23-Aug-05	100%
2 Sunfree Paschim Renewable Energy Private Limited	India	13-Jun-20	100%
2 Canal Solar Energy Private Limited	India	02-Jan-17	100%
3 Laxjeet Renewable Energy Private Limited	India	21-May-16	100%
4 Sunfree North East Renewable Energy Private Limited	India	12-Jun-20	100%
5 Sunfree Energy Private Limited	India	09-Aug-18	100%
6 SAEL Engineering Private Limited	India	24-Mar-21	100%
7 Native Power Private Limited	India	02-Jun-20	100%
8 SAEL Kaithal Renewable Energy Private Limited	India	10-Apr-21	100%
9 Jasrasar Green Power Energy Private Limited	India	02-Feb-22	100%
10 Sardarshahar Agri Energy Private Limited	India	02-Feb-22	100%
11 SAEL Solar Solution Private Limited	India	04-Mar-2022	100%
12 SAEL Solar Mfg. Private Limited	India	04-Mar-22	100%
13 SAEL RE Power Private Limited	India	04-Mar-22	100%
14 Chattargarh Renewable Energy Private Limited	India	02-Feb-22	100%
15 SAEL EV Infra Private Limited	India	18-Sep-20	100%
16 KTA Power Private Limited	India	22-Dec-20	100%
17 VCA Power Private Limited	India	15-Sep-20	100%
18 TNA Renewable Energy Private Limited	India	31-Dec-20	100%
19 SAEL Solar India Private Limited (till 05 May 2025)	India	till 05-May-2025	100%
20 Urjanidhi Solar Private Limited (till 25 April 2025)	India	till 25-Apr-2025	100%
21 SAEL Power Private Limited (till 23 April 2025)	India	till 23-Apr-2025	100%
22 SAEL International Limited, Hongkong	Hongkong	till 05-Sept-2025	100%
23 H.S. Awla Foundation	India		
24 Sukhbir Singh and Company	India		
25 SAEL Agri Commodities Limited	India		

2.04 Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that: • deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; • liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount



2.05 Business combination under common control

A Common control business combination, involving entities or business in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 "Business Combination". Business combinations involving entities or business under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior period are special purpose as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- The identity of the reserves are preserved and appear in the financial statements of the transferee in same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserve with disclosure of its nature and purpose in the notes.

2.06 Foreign currency translation

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

2.07 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 Group expects to be entitled in exchange for those goods or services.

A) Sale of electricity

Revenue from supply of power is recognised net of any cash rebates and consumption, when the power is supplied and units of electricity are delivered as it best depicts the value of the customer and complete satisfaction of performance obligation.

Revenue from sale of power is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the energy kilowatts actually supplied to customers multiplied by the rate per kilo-watt hour agreed to in the respective power purchase agreement (PPAs). The energy kilowatts supplied by the Group are validated by the customer prior to billing and recognition of revenue.

Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled performance obligations. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

B) Sale of services

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. In terms of the contract, excess of revenue over the billed at the period-end is carried in the special purpose Consolidated Statement of Assets and Liabilities as trade receivables where the amount is recoverable from the customer without any future performance obligation and the Group has unconditional right over such consideration (i.e. if only the passage of time is required before payment of such consideration is due). Cash received before the services are delivered is recognised as a contract liability.

C) 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 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 Consolidated Statement of Profit and Loss.



2.08 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.

2.09 Property, plant and equipment

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

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in special purpose consolidated statement of profit and loss as incurred.

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

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

Depreciation on assets provided as follows:-

Asset category	Estimated useful life (in years)
Buildings	10-30
Plant and Equipments	15-25
Furniture and fittings	10
Office equipments	5-10
Computer equipments	3
Vehicles	8 - 10

De-recognition

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

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Estimated useful lives of the intangible assets are as follows:

Asset category	Estimated useful life (in years)
Software	3
Other intangible assets Power purchase agreement	3

2.11 Capital work in progress

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



2.12 Leases

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

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

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

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

2.13 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 Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses are charged in the Special Purpose Consolidated 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.

2.14 Government grants

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

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

2.15 Financial instruments

Recognition, initial measurement and derecognition

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

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

(I) Financial assets at amortised cost

Classification and subsequent measurement of financial assets

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 Special Purpose Consolidated Profit and Loss. When the financial asset is derecognised or impaired, the gain or loss is recognised in the special purpose consolidated statement of Profit and Loss.

De-Recognition of financial assets

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



Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

Impairment of financial assets

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

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

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

Trade receivables

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

Other financial assets

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

Classification and subsequent measurement of financial liabilities

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

(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 group financial liabilities include borrowings, trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in Profit and Loss. For trade and other payables maturing within one year from the reporting date, the carrying amounts approximate fair value due to the short maturity of these instruments.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-Recognition of financial liability

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

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Special Purpose Consolidated Statement of Assets and Liabilities 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.

2.16 Current versus non-current classification

The group presents assets and liabilities in the Special Purpose Consolidated Statement of Assets and Liabilities 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 group classifies all other liabilities as non-current.

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 group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.



2.17 Contract assets

A contract asset is recognised for the right to consideration in exchange for services transferred to the customer if receipt of such consideration is conditional on completion of further activities/ services, i.e., the Group does not have an unconditional right to receive consideration.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

2.18 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 are 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.

Minimum Alternate Tax (MAT) credit

The group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable evidence that the group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

2.19 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.

2.20 Provisions 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 group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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

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

2.21 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the special purpose Consolidated Statement of Assets and Liabilities.

Post-employment benefits plans

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

non-current assets and

Deferred tax assets and liabilities are classified

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



Defined benefit plans

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

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

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

Service cost of the group 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.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefit. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields on Government securities. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the special purpose consolidated statement of profit and loss in the period in which they arise. Past-service costs are recognised immediately in the special purpose consolidated statement of profit and loss. The Group presents the entire leave as a current liability in the Special Purpose Consolidated Statement of Assets and Liabilities, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.22 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

Cash flow hedges

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

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

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

2.23 Valuation of inventories

Inventory raw materials and components, stores and spares

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

2.24 Financial instrument classified as financial liability

Financial instrument is classified as financial liability if it is a financial instrument, or otherwise to settle it in such a way that it would be settled by the Group, where Group does not have an unconditional right to avoid such obligation, are classified as financial liability. Such classification is in substance of the contractual arrangement and as per the definitions of the financial liability. Such financial instruments are recognized as financial liability at the full amount, without taking into account the timing of the contingent event. This is as per the rules of contingent settlement provisions. The equity component for such financial instruments will be nil.

Initial recognition of such financial instrument as financial liability will be at fair value and subsequent changes in fair value is recognized in profit or loss (i.e. FVTPL).

2.25 Material management judgement in applying accounting policies

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

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



SAEL Industries Limited
CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

Judgements

Judgements In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Special Purpose Consolidated Financial statement.



a commercial bank

which requires the Group

(a) Contingencies

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

(b) Income tax and deferred tax assets

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

(c) Provisions and liabilities

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

(d) Classification of leases

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

Estimate

(a) Impairment of non-financial assets

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

(b) Useful lives of depreciable assets

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

(c) Fair value measurement

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

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

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

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

(d) Employee benefits

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



(c) Estimating the incremental borrowing rate

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

2.26 Earnings per share and diluted earning 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.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM') [Chairperson and Chief Financial Officer].

Identification of segments

In accordance with Ind AS 108 Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the group CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the group other components. Results of the operating segments are reviewed regularly by the CODM [Managing Director, which has been identified as the CODM], to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment accounting policies

The Group is engaged in the business of supplying of electricity and other products using solar, fossil and alternate source of energy. Accordingly, the Group's activities/business is reviewed regularly from an overall business perspective, rather than reviewing its services as individual standalone components.

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

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

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

The Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. There is amendment to Ind AS 21 "Effects of Changes in Foreign Exchange Rates" such amendments would have been applicable from 01 April 2025.

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

The amendments are effective for the period on or after 01 April 2025. When applying the amendments, an entity cannot restate comparative information.

The Group has reviewed the new pronouncement and based on its evaluation has determined that these amendments do not have a significant impact on the Group financial statements.

(B) Standards issued/amended and became effective

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Group has applied following amendments for the first-time during the current year which are effective from 1 April 2024.

Amendments to Ind AS 116 - Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of Use asset it retains.

Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all 'insurance contracts' regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The amendment did not have a material impact on the special purpose consolidated financial statements.

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3 Property, plant and equipment and right-of-use assets

Details of Group's property, plant and equipment and right-of-use assets and their carrying amounts are as follows:

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Office equipments	Computer equipments	Vehicles	Leasehold improvements	Total	Right-of-use asset (Land)
Gross carrying value										
Balance as at 25 April 2022										
Addition on account of capital reorganisation	1,865.56	2,595.95	18,227.16	49.85	115.22	53.64	227.62	-	23,135.00	163.25
Addition during the period	222.78	299.80	1,407.98	7.32	3.33	5.21	1.40	-	1,947.82	19.88
Disposal/ adjustment during the period	-	-	-	-	-	-	0.38	-	0.38	-
Transfer on account of scheme of amalgamation (refer note 48)	905.63	823.97	3,187.41	38.79	91.29	42.01	112.68	-	5,201.78	127.22
Balance as at 31 March 2023	1,182.71	2,071.78	16,447.73	18.38	27.26	16.84	115.96	-	19,880.66	55.91
Accumulated depreciation										
Balance as at 25 April 2022	-	-	-	-	-	-	-	-	-	-
Addition on account of capital reorganisation	-	1,024.09	7,935.53	28.25	92.77	41.44	168.75	-	9,290.83	39.47
Addition during the period	-	128.64	1,381.91	2.22	3.71	2.17	6.72	-	1,525.37	1.74
Charge during the period	-	-	-	-	-	-	-	-	-	-
Transfer on account of scheme of amalgamation (refer note 48)	-	541.72	2,559.50	20.47	76.59	31.54	83.29	-	3,313.21	37.35
Balance as at 31 March 2023	-	611.01	6,757.94	10.00	19.89	11.97	92.18	-	7,502.99	3.86
Net carrying value										
Balance as at 31 March 2023	1,182.71	1,460.77	9,689.79	8.38	7.37	4.87	23.78	-	12,377.67	52.05

Notes:

- (i) Refer note 43 for details of assets pledged as security by the Group for securing financing facilities from lenders.
(ii) Refer note 46(iv) for information on capital commitment.
(iii) The cost that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 44.



4 Capital work-in-progress

Particulars	As at 31 March 2023
Balance as at the beginning of the period/year	-
Addition on account of capital reorganisation	1,807.87
Addition during the period/year	664.14
Less: amount capitalised during the period/year	(1,298.09)
Balance at the end of the year	1,173.92

Capital work-in-progress ageing schedule as follows:

Particular	Amount in capital work-in-progress for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in progress as of 31 March 2023	1,029.18	136.25	8.49	-	1,173.92

For capital-work-in progress whose completion is overdue or likely to exceed its cost compared to its original plan the project wise details of when the project is expected to be completed to be given below:

Particular	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in progress as of 31 March 2023 [^]	286.93	96.06	-	-	382.99

* The 14.9 MW power generation plant at Tehsil Bhadra, District Anumangarh, Rajasthan, costs and time have exceeded its original plan. Approval from Rajasthan Renewable Energy Corporation Limited, Jaipur for the extension of the project has been filed.

[^]Amount includes expenditure of Rs 39.73 million incurred on Units 15 till 31 March 2025. The 10 MW Biomass power plant at Jalkheri has taken approval from Punjab State Power Corporation Limited (PSPCL) for the extension of the project till 31 May 2024 and the project has been commissioned on 21 June 2024.

Notes:

- Refer note 43 for details of assets pledged as security by the Group for securing financing facilities from lenders.
- The cost that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 44.



5 Goodwill and other intangible assets

Particulars	Goodwill	Softwares	Other intangible assets power purchase agreement	Total
Gross carrying value				
Balance as at 25 April 2022	-	-	-	-
Addition on account of capital reorganisation	45.89	-	7.83	53.72
Disposal during the period	-	-	-	-
Balance as at 31 March 2023	45.89	-	7.83	53.72
Accumulated amortisation				
Balance as at 25 April 2022	-	-	-	-
Addition on account of capital reorganisation	-	-	0.48	0.48
Charge during the period	-	-	0.91	0.91
Disposal during the period	-	-	-	-
Balance as at 31 March 2023	-	-	1.39	1.39
Net carrying value				
Balance as at 31 March 2023	45.89	-	6.44	52.33

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

(a) Changes in the net carrying amount of goodwill is summarized as below:

Particulars	As at 31 March 2023
Balance at the beginning of the year/period	-
Addition on account of capital reorganisation	45.89
Balance at the end of the year/period	45.89

(b) The carrying amount of goodwill was allocated to the cash generating units as follows:

Particulars	As at 31 March 2023
Amount allocated to cash generating unit	45.89

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level with the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment.

(c) Impairment testing of goodwill

The Group performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, management utilize various assumptions, including operating results, business plans and projections of future cash flows. During the year, the management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available. Basis that, no impairment has been recorded.

(d) Impairment

An impairment test was carried out as mentioned below and details of the test are as outlined below:

Particulars	Goodwill
	As at 31 March 2023
Discount rate	10.37%
Growth rate	(0.50)%
Number of years for which cash flows were considered	5
Test result	No impairment

Growth rates

The growth rates used are in line with the growth rate of the industry in which the entities operates and are consistent with internal / external sources of information.

Discount rates

The discount rates takes into consideration market risk and specific risk factors of the cash generating unit. The cash flow projections are based on the forecasts made by the management.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.



6 Investments (non current)

Particulars	As at 31 March 2023
<i>Investment in equity instruments (fully paid up)(unquoted investment)</i>	
Sindh Renewable Energy Private Limited	2.00
Nil (31 March 2024: 200,000 and 31 March 2023: 200,000) shares of face value of Rs. 10/- each	
	<u>2.00</u>
Aggregate amount of unquoted investments at cost	2.00
Aggregate amount of quoted investments at market value	-
Aggregate amount of impairment amount in the value of investments	-

7 Other financial assets (non current)

Particulars	As at 31 March 2023
<i>(unsecured, considered good unless otherwise stated)</i>	
Bank deposits with remaining maturity more than 12 months*	296.14
Foreign currency derivative contracts (refer note 38)	-
Security deposits	41.41
	<u>337.55</u>

*Represent deposit with lenders against facility, in previous years/period and in current period, margin money is pledged/ lien against Letter of credit and other credit facilities, which is expected to roll over after maturity till tenure of facilities.

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

8 Deferred tax assets/liabilities (net)

a) Recognized deferred tax (assets) / liabilities

Particulars	As at 31 March 2023
Deferred tax assets are attributable to the following:	
Unabsorbed depreciation and business losses	580.13
Consolidation Adjustment	-
Deferred income	138.71
Minimum alternate tax	70.01
Provision for doubtful debts	6.73
Provision for employee benefits	15.95
Cost of hedge reserve	-
Lease liabilities	12.97
Others	-
Sub-total (A)	<u>824.50</u>
Deferred tax liabilities are attributable to the following:	
Right-of-use asset	15.16
Property, plant and equipment	1,050.46
Cash flow hedge reserve	-
Fair valuation gain on business combination	41.28
Sub-total (B)	<u>1,106.90</u>
Deferred tax assets (net)	122.90
Deferred tax liabilities (net)	405.30
Deferred tax assets/ (liabilities) (net) (A-B)	<u>(282.40)</u>

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b) Movement in temporary differences

(i) 31 March 2023

Particulars	As at 24 April 2022	Recognized on account of capital reorganisation	(Expenses)/ benefit recognised in special purpose consolidated statement of profit and loss	Recognised in other comprehensive income/ other equity	As at 31 March 2023
Assets					
Unabsorbed depreciation and business losses	-	-	580.13	-	580.13
Deferred income	-	-	138.71	-	138.71
Minimum alternate tax	-	-	70.01	-	70.01
Provision for doubtful debts	-	-	6.73	-	6.73
Provision for employee benefits	-	-	15.91	0.04	15.95
Lease liabilities	-	-	12.97	-	12.97
Sub-total (A)	-	-	824.46	0.04	824.50
Liabilities					
Right-of-use asset	-	-	15.16	-	15.16
Property, plant and equipment	-	(78.43)	1,128.89	-	1,050.46
Fair valuation gain on business combination	-	-	41.28	-	41.28
Sub-total (B)	-	(78.43)	1,185.33	-	1,106.90
Deferred tax asset/ (liability) (A-B)	-	78.43	(360.87)	0.04	(282.40)

c) MAT credit expiry in Group

Particulars	As at 31 March 2023
31 March 2040	-
31 March 2039	-
31 March 2038	3.37
31 March 2037	10.87
31 March 2036	13.53
31 March 2035	20.74
31 March 2034	13.56
31 March 2033	2.43
31 March 2032	3.09
31 March 2030	2.42
Total	70.01

*The above MAT credit pertains to the two step-down subsidiaries naming 'Universal Biomass Energy Private Limited' and 'Laxjeet Renewable Energy Private Limited'.

d) Effective tax reconciliation

Particulars	For the period from 25 April 2022 to 31 March 2023
Loss before tax	(1,015.63)
Applicable tax rate*	29.12%
Expected tax expense [A]	(295.76)
Brought forward losses and MAT derecognised / recognised during the year/period	3.37
(Recognition)/derecognition of previously (unrecognised)/recognised deferred tax	-
Fair value changes on financial instrument	-
Earlier year tax expense	-
Changes in earlier year tax rates	-
Others	(12.55)
Total adjustments [B]	(9.18)
Actual tax expense [C=A+B]	(304.94)
Total tax incidence	(304.95)
Tax expense recognized in statement of profit and loss [D]	(304.95)

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

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9 Tax assets (net)

Particulars	As at 31 March 2023
A) Non-Current	
Income-tax receivables (net of provision)	6.59
B) Current	
Income-tax receivables (net of provision)	-
	6.59

10 Other non current assets

Particulars	As at 31 March 2023
<i>(unsecured, considered good unless otherwise stated)</i>	
Capital advances	1,153.14
Deposit with government authorities	3.97
	1,157.11

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

11 Inventories

Particulars	As at 31 March 2023
<i>(valued at lower of cost or net realisable value)</i>	
Raw materials and components	1,546.78
Stores and spares	95.90
	1,642.68

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

12 Investments (current)

Particulars	As at 31 March 2023
Investment in mutual fund (quoted) (at FVTPL)	5.71
	5.71
Aggregate purchase price of quoted investments	5.40
Aggregate carrying value of quoted investments	5.71

Mutual Funds	As at 31 March 2023		
	NAV	Number of units	Amount
Baroda BNP Paribas Business Cycle Fund-Regular Growth Growth (BC-GP-G)	9.83	4,99,965.00	4.91
Baroda BNP Paribas Short Duration Fund-Regular Growth (SI-GP-G)	24.68	14,528.27	0.36
Sundaram ELSS Tax Saver Fund Growth	322.82	1,363.00	0.44
Total		5,15,856.27	5.71

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.



As at 31 March 2023 - R

13 Trade receivables

Particulars	As at 31 March 2023
(unsecured, considered good unless otherwise stated)	
Considered good, unsecured	803.12
Credit impaired	3.20
	806.32
Less:- allowance for expected credit loss	(3.20)
	<u>803.12</u>

Notes

- (i) Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.
(ii) Refer note 38 for exposure to credit risk and loss allowance related to trade receivables.
(iii) There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
(iv) The net carrying value of trade receivables is considered a reasonable approximation of fair value.
(v) The credit period given to the customer ranges from 60 to 90 days

Trade receivable ageing schedule as at 31 March 2023

31 March 2023	Outstanding for following periods from the due date of payment							Total
	Unbilled*	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 year	
Undisputed trade receivable								
Considered good, unsecured	#####	294.41	52.20	11.02	32.91	65.77	9.02	803.12
Credit impaired	-	-	-	-	-	-	3.20	3.20
	<u>337.79</u>	<u>294.41</u>	<u>52.20</u>	<u>11.02</u>	<u>32.91</u>	<u>65.77</u>	<u>12.22</u>	<u>806.32</u>
Less:- allowance for expected credit loss	-	-	-	-	-	-	(3.20)	3.20
Net trade receivable	<u>337.79</u>	<u>294.41</u>	<u>52.20</u>	<u>11.02</u>	<u>32.91</u>	<u>65.77</u>	<u>9.02</u>	<u>803.12</u>

Note: There are no disputed trade receivables, hence the same is not disclosed in the ageing schedule.

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

14 Cash and cash equivalents

Particulars	As at 31 March 2023
Balances with banks	
- on current accounts	3,952.92
Cash on hand	2.59
Bank deposits with original maturity of less than 3 months	1,020.27
	<u>4,975.78</u>

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.



15 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2023
Bank deposits with original maturity more than 3 months but less than 12 months	1,077.34
	1,077.34

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

16 Other financial assets (current)

Particulars	As at 31 March 2023
<i>(unsecured, considered good and measured at amortised cost unless otherwise stated)</i>	
Bank deposits with remaining maturity less than 12 months	375.99
Foreign currency derivative contracts (refer note 38)	-
Security deposits	15.39
Other receivables	11.97
	403.35

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

17 Other current assets

Particulars	As at 31 March 2023
<i>(unsecured, considered good unless otherwise stated)</i>	
Advance to vendors	366.32
Balance with government authorities	117.58
Prepaid expenses	34.69
Other receivables	3.02
	521.61

Note: Refer note 43 for details of assets pledged as security by the group for securing financing facilities from lenders.

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18 Equity share capital

The special purpose consolidated financial statements represent a legal entity's structure. The share capital of the Holding Company is as below.

Particulars	As at 31 March 2023	
	Number of shares	Amount
i) Authorised capital		
Authorised equity share capital of Rs. 10/- each (31 March 2025: Rs 1/- each, 31 March 2024: Rs 10/- each and 31 March 2023: Rs. 10/- each)		
Authorised equity shares at the beginning of the year/period	6,60,00,000	660.00
Movement during the year/period	6,60,00,000	660.00
Authorised equity shares at the end of the year/period (A)		
Authorised preference share capital of Rs. 10/- each (31 March 2025: 10/- each, 31 March 2024: Rs 10/- each and 31 March 2023: Rs. 10/- each)		
Authorised preference shares at the beginning of the year/period	1,23,80,000	123.80
Movement during the year/period	1,23,80,000	123.80
Authorised preference shares at the end of the year/period (B)	7,83,80,000	783.80
Total (A+B)		
ii) Issued capital		
Particulars	Number of shares	Amount
Issued and subscribed and fully paid up (equity share capital)	4,61,29,197	461.29
Issued and subscribed and fully paid up (preference share capital)	81,39,990	81.40
Total	5,42,69,187	542.69
Loss - amount presented as financial liability (refer note 22)	81,39,990	81.40
Total	4,61,29,197	461.29

*Pursuant to the special resolution passed at annual general meeting held on 03 August 2023, the members of the Holding Company approved to increase the authorised share capital of the Holding Company from Rs. 783.80 million divided into 66,000,000 equity shares of Rs. 10/- each and 12,380,000 preference shares of Rs. 10/- each to Rs. 941.40 million divided into 66,000,000 equity shares of Rs. 10/- each and 28,140,000 preference shares of Rs. 10/- each. The members of the Holding Company have at extra ordinary general meeting held on 07 December 2023 approved to further increase the authorised share capital of the Company to Rs. 971.40 million divided into 66,000,000 equity shares of Rs. 10/- each and 31,140,000 preference shares of Rs. 10/- each.

(i) Reconciliation of equity share capital outstanding at the beginning and at the end of the reporting year/period

Particulars	As at 31 March 2023	
	Number of shares	Amount
At the beginning of the year/period		
Shares issued during the year/period* /RS	4,61,29,197	461.29
Outstanding at the end of the year/period	4,61,29,197	461.29
*Pursuant to the resolution passed at board meeting held on 28 January 2023, members of the Holding Company have approved the allotment of 3,225,000 equity shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 1,290.00 millions to the existing shareholders on preferential basis to promoter directors of the Holding Company.		
*Pursuant to the resolution passed at board meeting held on 16 February 2024, members of the Holding Company have approved the allotment of 100 equity shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 0.04 millions to International Development Finance Corporation (IDFC) on preferential allotment.		
*Pursuant to the resolution passed at board meeting held on 04 July 2022, members of the Holding Company have approved the allotment of 46,129,097 equity shares of Rs. 150/- each having face value of Rs. 10/- and premium of Rs. 140/- per share aggregating to Rs. 6,918.31 millions on the acquisition of 100% controlling interest in SAEL Limited. Further, the members have also at board meeting held on 17 February 2023 approved the allotment of 100 equity shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 0.04 millions to NORFUND.		

Name of allottees	Date of allotment approval	Number of equity shares allotted	Face value per equity share (Rs)		Issue price per equity share (Rs)	
			100	10	400.00	400.00
SAEL Limited	04 July 2022	4,61,29,097				
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	17 February 2023	100				



Reconciliation of preference share capital outstanding at the beginning and at the end of the reporting year/period

Particulars	As at 31 March 2023	
	Number of shares	Amount
At the beginning of the year/period		
Shares issued during the year/period*	81,39,900	81.40
Outstanding at the end of the year/period	81,39,900	81.40

*Pursuant to the resolution passed at board meeting held on 08 May 2024, members of the Holding Company have approved the allotment of 3,640,000 preference shares of Rs. 390/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 1,456.00 millions to NORFUND.

The members have also at board meeting held on 14 February 2025 approved the allotment of 3,273,750 preference shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 1,309.50 millions to NORFUND.

#Pursuant to the resolution passed at board meeting held on 16 October 2022, members of the Holding Company have approved the allotment of 4,156,500 preference shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 1,662.60 millions to NORFUND. Further, the members have also at board meeting held on 02 February 2024 approved the allotment of 3,627,312 preference shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 1,450.92 millions to NORFUND and further on 16 February 2024, members have approved the allotment of 7,261,086 preference shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 2,904.43 millions to U.S. International Development Finance Corporation (DFC).

SPursuant to the resolution passed at board meeting held on 17 February 2023, members of the Holding Company have approved the allotment of 8,139,900 preference shares of Rs. 400/- each having face value of Rs. 10/- and premium of Rs. 390/- per share aggregating to Rs. 3,255.96 millions to NORFUND.

Name of allottees	Date of allotment approval	Amount	Number of preference shares allotted	Face value per preference share (Rs)	Issue price per preference share (Rs)
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	14 February 2025		32,73,750	10	400.00
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	08 May 2024		36,40,000	10	400.00
U.S. International Development Finance Corporation	16 February 2024		72,61,086	10	400.00
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	02 February 2024		36,27,312	10	400.00
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	16 October 2023		41,56,500	10	400.00
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	17 February 2023		81,39,900	10	400.00

(ii) Number of shares held by each shareholder holding more than 5% Shares in the Holding Company

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

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

Particulars	As at 31 March 2023	
	Number of shares	% of shareholding
The Norwegian Government Investment Fund for Developing Countries (NORFUND)	81,39,900	100%
U.S. International Development Finance Corporation (DFC)	-	-
Total	81,39,900	100%

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(iii) Disclosure of shareholdings of promoters as follows*^

S. No.	Promoter Name	As at 31 March 2023		As at 31 March 2022^^		shareholding pattern during the year
		Number of shares	% of shareholding	Number of shares	% of shareholding	
1	Jasbir Singh	1,07,03,415	23.20	-	-	100.00
2	Sukhbir Singh	1,07,83,816	23.38	-	-	100.00
3	Laxit Awla	12,63,600	2.74	-	-	100.00
4	Palki Awla	50,48,468	10.94	-	-	100.00
5	Scema Awla	44,20,511	9.58	-	-	100.00
6	Gobind Dham Renewable Energy Private Limited	20,13,600	4.37	-	-	100.00
7	Sukhbir Logistics Private Limited	16,06,000	3.48	-	-	100.00
8	Harjagat Infra Private Limited	13,05,333	2.83	-	-	100.00
9	Harsh Awla	11,93,073	2.58	-	-	100.00
10	Sukhbir Singh HUF	14,49,270	3.14	-	-	100.00
11	Jasbir Singh & Sons HUF	16,00,368	3.47	-	-	100.00
12	Harjagat Awla	3,333	0.01	-	-	100.00
13	Sukhbir Solar Energy Private Limited	8,23,870	1.79	-	-	100.00
14	Govind Infra Private Limited	8,10,653	1.76	-	-	100.00
15	Sindh Renewable Power Private Limited	2,07,744	0.45	-	-	100.00
16	Sael Overseas Limited	7,20,000	1.56	-	-	100.00
17	Govind Awla	4,333	0.01	-	-	100.00
18	Jatin Awla	21,71,710	4.71	-	-	100.00
		4,61,29,097	100.00	-	-	100.00

*Post the financial year ended 31 March 2024, the Holding Company analysed and identified its Promoters in accordance with applicable provisions of the Companies Act, 2013.

^The above information is furnished as per shareholder register of the Company as at the period/year ended 30 June 2023, 31 March 2023, 31 March 2024 and 31 March 2025.

^^As the holding company along was incorporated w.e.f 25 April 2022.



The rights, preferences and restrictions attaching to each class of equity shares including restrictions on the distribution of dividends and the repayment of capital

The Holding Company has 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 Holding Company will pay dividends in Indian rupees.

In the event of liquidation of Holding Company, the holders of equity shares are entitled to receive remaining assets of the Holding Company (after distribution of all preferential amounts) in proportion to the number of equity shares held by the shareholders of the Holding Company.

The rights, preferences and restrictions attaching to compulsorily convertible preference shares

The preference shares rank ahead of the equity shares in the event of a liquidation.

The terms of the compulsory redeemable preference shares and segregation into liability and equity portions of these shares are explained in note 22.

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

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash, allotted as fully paid up by way of bonus shares nor has there been any buy-back of shares since the inception of the Company, except -

(i) During 2023, Holding Company has allotted 46,122,097 equity shares of Rs 10 each at a premium of Rs 140 on the acquisition of 100% controlling interest in SAEL Limited on 04 July 2022.

(ii) There has been equity shares issued by way of conversion of loan during the year ended 31 March 2025:

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SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

19 Other equity

Particulars	As at 31 March 2023
Capital reserve account (refer note (a))	
Balances at the beginning of the year/period	-
Addition on account of capital reorganisation	50.36
Movement due to elimination of investments	(101.31)
Additions/(adjustments) due to acquisition/(disposal) of investment	2.98
Balances at the end of the year/period	(47.97)
Securities premium (refer note (b))	
Balances at the beginning of the year/period	-
Share capital issued during the year/period	6,457.09
Balances at the end of the year/period	6,457.09
General reserve account (refer note (c))	
Balances at the beginning of the year/period	-
Transfer from debenture redemption reserve	-
Addition on account of capital reorganisation	610.51
Balances at the end of the year/period	610.51
Debenture redemption reserve (refer note (d))	
Balances at the beginning of the year/period	-
Transfer to retained earnings	-
Transfer from retained earnings	97.52
Balances at the end of the year/period	97.52
Retained earnings (refer note (e))	
Balances at the beginning of the year/period	-
Adjustment on account of scheme of arrangement (refer note 48)	(13,461.06)
Addition on account of capital reorganisation	7,983.38
Loss pertains to continuing operations	(846.13)
Profit pertains to discontinued operations	135.44
Transfer to debenture redemption reserve	(97.52)
Transfer from debenture redemption reserve	-
Transfer from foreign currency translation reserve	-
Remeasurement of post-employment benefit obligation during the year/ period	(0.08)
Tax effect on remeasurement during the year/period	-
Balances at the end of the year/period	(6,285.97)
Cash flow hedge reserve (refer note (f))	
Balances at the beginning of the year/period	-
Effective portion of gains and losses on hedging instrument in a cash flow hedge	-
Effective portion of gains and losses on hedging instrument in a cash flow hedge	-
Income tax relating to items that will be reclassified to profit or loss	-
Balances at the end of the year/period	-
Cost of hedge reserve (refer note (g))	
Balances at the beginning of the year/period	-
Changes in fair value	-
Reclassified to profit or loss	-
Income tax relating to items that will reclassified to profit or loss	-
Balances at the end of the year/period	-
Foreign currency translation reserve (refer note h))	
Balances at the beginning of the year/period	-
Addition on account of capital reorganisation	12.18



SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

Movement during the year/period

Balances at the end of the year/period

Total other equity

(0.82)

11.36

842.54



SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

Nature and purpose of reserves

(a) Capital reserve

Capital reserve is the accumulation of profits that is created from profits generated out of certain capital

(b) Securities premium

Securities premium reserve represents premium received on issue of shares. The reserve can be utilised in accordance with the

(c) General reserve

The Group has transferred a portion of the net profit before to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

(d) Debenture redemption reserve

The Group is required to create a Debenture Redemption Reserve out of the profits which are available for payment of dividend for the purpose of redemption of non-convertible debentures. Accordingly, a debenture redemption reserve has been created to the extent of 10% of the outstanding balance of non-convertible debentures.

During the year ended 31 March 2025, early redemption of the debentures has been done and the amounts no longer necessary to be retained in this account are transferred to general reserves.

(e) Retained earnings

All the profits or losses made by the group 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. Retained earning is a free reserve available to the Group and eligible for distribution to shareholders.

(f) Cash flow hedge reserve

The Group uses derivative instruments to manage its foreign currency risk on cash outflows related to foreign currency borrowings. For hedging foreign currency risk, the Group enters into foreign currency derivative contracts. To the extent that these derivative contracts are designated as effective hedges under hedge accounting, effective portion of changes in the fair value of the hedging instruments are recognized in the 'Cash flow hedge reserve'. Amounts recognised in this reserve are reclassified to the special purpose Consolidated Statement of Profit and Loss when the hedged item affects profit or loss.

(g) Cost of hedging reserve

The Group designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. Changes in the fair value of the time value component of the options are recognised in Other Comprehensive Income (OCI) and are amortized to the special purpose Consolidated Statement of Profit and Loss on a rational basis.

(h) Foreign currency translation reserve

Exchange differences related to the translation of the results and net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (that is INR.) are recognised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve. Exchange difference accumulated in the Foreign Currency Translation Reserve are to be reclassified to Profit and Loss on the disposal of the foreign operation.



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SAEL Industries Limited
CIN - U40106PB2022PLC055755
Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)
20 Borrowings (non current)

Particulars	As at 31 March 2023
<i>(measured at amortised cost)</i>	
Secured*	
Term loans	
- from banks and financial institutions	3,039.86
Non convertible debenture	12,332.55
7.8% senior secured bond maturing 2031^	-
Less: Current maturity of non-current borrowing	
Term loans from banks and financial institutions	(1,701.40)
Non convertible debenture	(1,046.78)
7.8% senior secured bond maturing 2031^	-
	12,624.23

Note: Refer note 39 for terms of borrowings.

*The Group has utilised the proceeds raised for their intended purposes and is in compliance with the applicable

* The Company has complied with the debt covenants as per the terms of borrowing facilities throughout the reporting period and there have been no default in repayment of interest and loans in the current year.

21 Lease liabilities

Particulars	As at 31 March 2023
Non current	36.85
Current	4.70
	41.55

Note: Refer note 50 for lease related disclosures.

22 Other financial liability (non current)

Particulars	As at 31 March 2023
<i>(measure at fair value)</i>	
Compulsory convertible preference shares (CCPS)	3,318.80
	3,318.80



SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

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

The Holding Company has issued number 8,139,900 of 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 Holding 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 Holding Company and the Sponsors ("NORFUND" and "DFC") are unable to consummate the IPO by the IPO Deadline i.e. on or before 31 December 2027; and (ii) the Holding 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 Holding Company and the Sponsors.

The Holding Company has allotted CCPS as on following dates:

Date of allotment	Number of shares
17 February 2023	81,39,900
16 October 2023	41,56,500
02 February 2024	36,27,312
16 February 2024	72,61,086
08 May 2024	36,40,000
14 February 2025	32,73,750
Total	3,00,98,548

During the previous year/period ended 31 March 2024 and 31 March 2023, the Holding Company had issued 100 equity shares in each year to DFC and NORFUND respectively. These shares are also classified as a financial liability and Increase in the financial liability on subsequent re-measurement at fair value at the reporting date amounting to Rs 1,303.46 millions (31 March 2024: Rs. 957.97 million and 31 March 2023: Rs 62.80 million) is disclosed as 'Fair value change on financial instrument' in the special purpose consolidated statement of profit and loss account.

Refer note 18 for movement of preference share held by shareholders holding more than 5 % of the aggregate share in the

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SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

23 Provisions (non current)

Particulars	As at 31 March 2023
Provision for gratuity (refer note 49)	28.71
Other provisions	
Provision for asset retirement obligation (refer note below)	-
	28.71

Note:**Provision for asset retirement obligation**

The Group is required to incur the land restoration cost at the end of project period and hand over the land to the owners as per the terms specified in lease agreement.

For this purpose, the Group has performed a cost estimation of the land restoration cost for the future decommissioning of solar power plant at the end project life. Accordingly based on technical estimates, a provision for land restoration cost is reviewed and is provided for in the accounts on periodical basis.

Movement in asset retirement obligation during the financial year/period:

Particulars	As at 31 March 2023
Balance at the beginning of the year/period	-
Addition during the year/period	-
Add: Interest on account of unwinding of provision	-
Balance at the end of the period	-

24 Other non current liabilities

Particulars	As at 31 March 2023
Deferred grant	388.02
	388.02

25 Borrowings (current)

Particulars	As at 31 March 2023
<i>(measured at amortised cost)</i>	
Secured*	
Cash credit facility/ working capital demand loans from banks	1,185.11
Current maturities of	
Term loans from banks and financial institutions (refer note 20)	1,701.40
Non convertible debentures (refer note 20)	1,046.78
7.8% senior secured bond maturing 2031 (refer note 20)	-
Unsecured	
Loan from related parties^	-
	3,933.29

Note: Refer note 39 for terms of borrowings.

*The Group has utilised the proceeds raised for their intended purposes and is in compliance

* The Group has complied with the debt covenants as per the terms of borrowing facilities throughout the reporting period and there have been no default in repayment of interest and loans in the current year.



SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

^Interest free loan, repayable on demand

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26 Trade payables

Particulars	As at 31 March 2023
(measured at amortised cost)	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	506.54
	<u>506.54</u>

Trade payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from the date of invoice					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME*	-	-	-	-	-	-
Undisputed dues - Others	6.02	391.92	36.47	72.13	-	506.54
Total trade payables	<u>6.02</u>	<u>391.92</u>	<u>36.47</u>	<u>72.13</u>	<u>-</u>	<u>506.54</u>

Note:

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

27 Other financial liabilities (current)

Particulars	As at 31 March 2023
(measured at amortised cost)	
Capital creditors	263.88
Interest accrued but not due on borrowings	7.34
Employee related liabilities	7.25
Other payables*	1,610.05
	<u>1,918.52</u>

*Refer note 40 for related party balance.

28 Other current liabilities

Particulars	As at 31 March 2023
Payable to statutory authorities	60.47
Deferred grant	51.34
Advance from customers	109.94
	<u>221.75</u>

29 Provisions (current)

Particulars	As at 31 March 2023
Provision for gratuity (refer note 49)	2.79
Provision for compensated absences (refer note 49)	18.38
	<u>21.17</u>

30 Current tax liabilities (net)

Particulars	As at 31 March 2023
Provision for tax (net)	-
	<u>-</u>

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31 Revenue from operations

Particulars	For the period from 25 April 2022 to 31 March 2023
Sale of goods and services	
Revenue from sale of electricity	3,414.28
Other operating revenue	
Revenue from supply of product	439.40
Revenue from supply of services	35.65
	3,889.33
Revenue from contracts with customers	

I) Disaggregation of revenue

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

Particulars	For the period from 25 April 2022 to 31 March 2023
Revenue from contracts with customers	
Revenue from sale of electricity	3,414.28
Revenue from supply of product	439.40
Revenue from supply of services	35.65
Total	3,889.33

II) Timing of revenue recognition

Particulars	For the period from 25 April 2022 to 31 March 2023
At a point in time	475.05
At point over time	3,414.28
Total revenue	3,889.33

III) Contract balances

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

Particulars	As at 31 March 2023
Receivables (refer note 13)	
Trade receivables (gross)	806.32
Less:- allowance for expected credit loss	(3.20)
Net trade receivables	803.12
	109.94

IV) Contract liability- advance from customer (refer note 28)

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

The revenue received in advance represents contract liability balance outstanding as at the respective dates. The revenue received in advance outstanding as at 31 March 2023 were recognised to the extent of revenue satisfaction of the associated performance obligations during the year ended 31 March 2024. As at year ended 31 March 2023, there are no contract assets during the respective years/period, therefore disclosure regarding significant changes in contract assets is not given.

V) Significant changes in the contract balances during the year/period are as follows:

Particulars	As at 31 March 2023
Opening balance of contract liabilities - advance from customers	-
Movement during the year (net)	109.94
Closing balance of contract liabilities - advance from customers	109.94

VI) Reconciling the amount of revenue recognised in the special purpose consolidated statement of profit and loss with the contracted price

Particulars	As at 31 March 2023
Revenue as per contract	3,962.82
Adjustments:	
Rebate and discounts	73.50
Revenue from contract with customers	3,889.33



SAEL Industries Limited
CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

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

VI) Transaction price - remaining performance obligation

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

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



32 Other income

Particulars	For the period from 25 April 2022 to 31 March 2023
Interest income on bank deposits	44.46
Amortisation of deferred grant	35.64
Net gain on sale of investments	-
Insurance claim received	2.02
Fair value gain on mutual fund classified at FVTPL	-
Gain on sale of property, plant and equipment (net)	0.88
Gain/ loss on exchange fluctuation (net)	-
Liabilities written back	1.12
Unwinding of other financial assets (security deposits)	-
Miscellaneous income	7.78
	91.90

Note: The income that are directly attributable to the acquisition or construction of property, plant and equipment has been deducted from amount capitalised during the year, refer note 44.

33 Cost of material consumed

Particulars	For the period from 25 April 2022 to 31 March 2023
Cost of raw material consumed	1,512.89
	1,512.89

34 Employee benefits expense

Particulars	For the period from 25 April 2022 to 31 March 2023
Salaries, wages and bonus	340.96
Contribution to provident and other funds (refer note 49)	12.47
Staff welfare expenses	11.07
	364.50

Note: The income that are directly attributable to the acquisition or construction of property, plant and equipment has been deducted from amount capitalised during the year, refer note 44.

35 Finance costs

Particulars	For the period from 25 April 2022 to 31 March 2023
<i>(for financial liabilities measured at amortised cost)</i>	
Interest costs on:	
- borrowings	982.63
- lease liabilities	0.76
Interest on delayed payment of taxes	0.02
Amortisation of time value of options	-
	983.41

Note: The income that are directly attributable to the acquisition or construction of property, plant and equipment has been deducted from amount capitalised during the year, refer note 44.

Particulars	For the period from 25 April 2022 to 31 March 2023
Depreciation of property, plant and equipment (refer note 3)	1,523.54
Amortisation of right of use of assets (refer note 3)	0.74
Amortisation of intangible assets (refer note 5)	0.91
	1,525.19

Note: The income that are directly attributable to the acquisition or construction of property, plant and equipment has been deducted from amount capitalised during the year, refer note 44.

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37 Other expenses

Particulars	For the period from 25 April 2022 to 31 March 2023
Consumption of stores and spares	26.21
Freight, cartage and direct labour expenses	5.25
Power & fuel	20.08
Repairs and maintenance	-
Plant and equipments	-
Buildings	27.75
Others	47.11
Rent and hire charges	11.22
Rates and taxes	14.24
Insurance	41.40
Security services	19.85
Travelling and conveyance	16.50
Legal and professional fees	236.22
Bad debts	1.09
Bank charges	23.86
Advances written off	81.99
Loss on sale of property, plant and equipment (net)	-
Foreign exchange fluctuation (net)	-
Corporate social responsibility	15.88
PFDA share expense	25.65
Miscellaneous expenses	124.48
	738.78

Note: The income that are directly attributable to the acquisition or construction of property, plant and equipment has been deducted from amount capitalised during the year.

38 Exceptional items

Particulars	For the period from 25 April 2022 to 31 March 2023
Loss by fire (refer note i below)	-
Assets written off (refer note ii below)	-
Loan prepayment charges (refer note iii below)	-
	-

Note:

- (i) Certain stock lying in one entity (31 March 2024: two entities, 31 March 2023; nil) comprised within Group was damaged by fire. Surveyors are in the process of assessing the extent of loss and the Group has filed for claim reimbursement with the insurance company.
- (ii) Cost incurred for capital assets which will not be used in future due to abandon site has been written off.
- (iii) Prepayment charges paid by entities in the Group on early repayment of its loans taken from lenders.



38 Financial instruments

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

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

Valuation techniques used to determine fair value

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

- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowing, trade payables, lease liabilities and other financial liabilities: Approximate their carrying amounts largely due to the current maturities of these instruments that are fair value.

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

(ii) Financial instruments by category

Particulars	Level of hierarchy	As at 31 March 2023		
		Carrying value		
		FVOCI	FVTPL*	Amortised cost
Financial assets				
Non current				
Investments	3	-	2.00	-
Other financial assets	3	-	-	337.55
Current				
Investments in mutual fund	1	-	5.71	-
Trade receivable	-	-	-	803.12
Cash and cash equivalents	-	-	-	4,975.78
Bank balances other than cash and cash equivalents above	-	-	-	1,077.14
Other financial assets	-	-	-	403.35
Total financial assets		-	7.71	7,597.14
Financial liabilities				
Non current				
Borrowings	-	-	-	12,624.23
Lease liabilities	-	-	-	36.85
Other financial liabilities	3	-	3,318.80	-
Current				
Borrowings	-	-	-	3,933.29
Lease liabilities	-	-	-	4.70
Trade payables	-	-	-	506.54
Other financial liabilities	-	-	-	1,918.52
Total financial liabilities		-	3,318.80	19,024.13

*Fair value through Profit and Loss

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

Financial assets and financial liabilities are measured at fair value in the special purpose consolidated financial information and are grouped into three level of fair value hierarchy. The three levels are defined based on the observability of significant impacts of the measurement.



Fair value measurement hierarchy for investments:

Particulars	As at 31 March 2023	Valuation methodology/ technique
Investments in quoted mutual funds (Level 1)	5.71	These quoted mutual funds are valued at fair value on the basis of the Net Asset Value (NAV) of the fund on the reporting date.
Investment in unquoted equity instruments (Level 3)	2.00	These unquoted equity are valued at fair value on the reporting date. The fair value of these unquoted instruments is almost equal to the cost of the instruments as there is no significant business in the entities.

Fair value measurement hierarchy for financial assets:

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

(iii) The following table presents the changes in level 3 items for the years/period ended 31 March 2023:

Particulars	Amount
Balance as at 25 April April 2022	-
Add: Issue of compulsory convertible preference shares	3,256.00
Add: fair value changes during the period	62.80
Balance as at 31 March 2023	3,318.80

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) for liability arising on account of compulsory convertible preference shares, monte carlo simulation has been used.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Significant unobservable inputs	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss						
Liability arising out of compulsory convertible preference shares	Discount rate, risk free rate and volatility	31 March 2023	-	-	3,318.80	3,318.80

(v) Sensitivity analysis of fair value instruments:-

Liability component of compulsory convertible preference shares held by investors

The management has used Discounted cash flow method (DCF) for determining the fair value of Financial instrument classified as Financial liability.

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.

Description	As at 31 March 2023
Impact on liability arising on account of put options fair value If change in discount rate (rate of tax)	
- Impact due to increase of 0.5%	9.29
- Impact due to decrease of 0.5%	(9.29)
Impact on liability arising on account of risk free rate (rate of tax)	
- Impact due to increase of 0.5%	(28.84)
- Impact due to decrease of 0.5%	29.25
Impact on liability arising on account of volatility (rate of tax)	
- Impact due to increase of 0.5%	135.94
- Impact due to decrease of 0.5%	(138.97)



(vi) Risk management

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

Risk management framework

The directors or Board of Holding Company have the overall responsibility for the establishment and oversight of the Group's risk management framework. The directors or Board of Holding Company have responsibility to establish the processes and ensure that executive management controls risks through the mechanism of properly defined framework.

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

Risk	Exposure arising from	Measurement	Management diversification
Credit risk	Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, and other financial assets	Ageing analysis	Diversification of bank deposits and credit limits and regular monitoring and follow ups
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk – foreign exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in Indian rupee.	Cash flow forecasting sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Diversification of borrowings.

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

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

Trade receivables

Group's major trade receivables are with, government owned counterparty. Therefore, these receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach.

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

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

Other financial assets

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

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

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

Credit rating	Particulars	As at 31 March 2023
A: Low credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivable, investments and other financial assets	7,602.85



- b) Credit risk exposure
(i) Provision for expected credit losses
The Group provides for expected credit losses for following financial assets –

As at 31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	4,975.78	-	4,975.78
Investment	5.71	-	5.71
Bank balances other than cash and cash equivalents above	1,077.34	-	1,077.34
Other financial assets	740.90	-	740.90
Trade receivable	806.32	3.20	803.12
Total	7,606.05	3.20	7,602.85

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

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

Financial assets for which loss allowance is measured using life time expected credit loss. The Group has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full. Hence, no impairment loss has been recognised during the year and the previous year/period in respect of trade receivables.

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

Credit default risk

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

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



Reconciliation of expected credit loss for financial asset

Particulars	As at 31 March 2023
Loss allowance as at beginning of the year	-
Add: allowance for expected credit loss for the year	3.20
Loss allowance as at end of the year	3.20

31 March 2023	Trade receivables							Total
	Unbilled Dues	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
ECL Rate	0%	0%	0%	0%	0%	0%	26.19%	0.40%
Estimated total gross carrying amount at default	337.79	294.41	52.20	11.02	32.91	65.77	12.22	806.32
ECL - simplified approach	-	-	-	-	-	-	3.20	3.20
Net carrying amount	337.79	294.41	52.20	11.02	32.91	65.77	9.02	803.12

(B) Liquidity risk

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

Financial arrangement

The Group has access to the following undrawn borrowings facilities at the end of the reporting periods.

Particular	As at 31 March 2023
Borrowings (other than cash credit facilities)	10,433.36

Further, Compulsory Convertible Preference Shares amounting to nil (31 March 2023: Rs. 1,643.40 million (USD 20.00 million)) is yet to be disbursed as at respective year end.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments, where applicable.

31 March 2023	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings (including interest)	1,726.93	6,504.03	9,629.06	9,043.17	26,903.19
Lease liabilities (refer note 49(ii))	-	6.34	15.74	53.04	75.12
Trade payables	-	506.54	-	-	506.54
Other financial liabilities	-	774.31	3,318.80	-	4,093.11
Total	1,726.93	7,791.22	12,963.60	9,096.21	31,577.96

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

Foreign currency risk exposure:

Particulars	As at 31 March 2023	
	USD	INR
7.8% Senior Secured Bond Maturing 2031*	-	-
Forward contracts to sell USD	6.26	513.75
Capital creditors	-	-
Trade payables	-	-
	6.26	513.75

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

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

Sensitivity

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

Particulars	As at 31 March 2023	
	USD	INR
7.8% Senior Secured Bond Maturing 2031		
Exchange rate increase by 1% (net of tax)	-	-
Exchange rate decrease by 1% (net of tax)	-	-
Forward contracts to sell USD		
Exchange rate increase by 1% (net of tax)	(0.05)	(3.84)
Exchange rate decrease by 1% (net of tax)	0.05	3.84
Capital creditors		
Exchange rate increase by 1% (net of tax)	-	-
Exchange rate decrease by 1% (net of tax)	-	-
Trade payables		
Exchange rate increase by 1% (net of tax)	-	-
Exchange rate decrease by 1% (net of tax)	-	-

Hedging activities and derivatives

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

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange option contracts are designated as hedging instruments in cash flow hedges of forecast principal and interest rate payments of bond in US dollar. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected loan repayments in US dollars. The foreign exchange option contract balances vary with the level of expected foreign currency repayments and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange option contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange option contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

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



Impact of hedging activities

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

Type of hedge and risks	Notional value (USD)	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Strike price
As at 31 March 2023					
Foreign currency risk					
(i) Foreign exchange forward contracts	-	-	-	-	-

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

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
As at 31 March 2023				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	-	-	-	-

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

b) Interest rate risk

i) Financial liabilities

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

Particulars	As at 31 March 2023
Variable rate borrowing	4,224.97
Fixed rate borrowing	12,332.55
Total borrowings	16,557.52

The Group's investment in bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2023-24: +/- 1% and 2022-23: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Cash flow sensitivity

Effect in Rs. million	Impact on Profit or (loss) net of tax	
	100 bp increase	100 bp decrease
31 March 2023		
Variable-rate instruments	(31.62)	31.62
Cash flow sensitivity (net)	(31.62)	31.62

c) Price risk

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

Exposure to interest rate risk	As at 31 March 2023
Investment in mutual fund (quoted) (at FVTPL)	5.71

Sensitivity analysis

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the year (net of tax) :

	As at 31 March 2023
100 bp increase	0.04
100 bp decrease	(0.04)

Capital management

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

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

Particulars	As at 31 March 2023
Borrowings	16,557.51
Less: Cash and cash equivalents	4,975.78
Less: Bank balances other than cash and cash equivalents above	1,077.34
Net debt	10,504.39
Equity share capital	461.29
Other equity	842.54
Total equity	1,303.83
Capital and net debt	11,808.22
Gearing ratio (%)	88.96%



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39. Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower	Name of Bank/ Financial Institution	Nature of security	Terms of repayment and interest rate	As at 31 March 2023
1	SAEL Limited				First ranking pari passu mortgage or charge over: (i) the immovable, movable (tangible and intangible), current assets (including the cash flows, bank debts and revenues) and receivables of entity; and (ii) accounts established pursuant to the applicable Trust and Retention Account Agreement; (iii) charge over the rights, titles, interests, benefits, claims and demands under the power purchase agreements, project documents and insurance policies of entity; (iv) pledge of 100% shares of the entity; (v) Debt Service Reserve Account opened by entity for the benefit of the holders of the Notes; (vi) project assets forming a part of the Solar Energy Corporation of India ("SECI") projects; (vii) rights and interest emanating under Restricted Project Documents; and (viii) the immovable properties leased or sub-leased to the entity under the Restricted Land Lease Agreements.	The Instrument 7.8% Senior Secured Note is issued for a period of 7 Years maturing in January 2031. Coupon rate for the Instrument is 7.8% p.a. and interest to be paid off semi-annual. Instrument has difference early repayment options with different premium amount. Refinancing amount (if any) to be repaid at the time of maturity of instrument and capex amount is to be repaid in multiple instalments as per repayment schedule in the offer document.	
2	Universal Biomass Energy Private Limited						
3	Janssar Green Power Energy Private Limited						
4	SAEL Kaibhal Renewable Energy Private Limited						
5	Sunrise Paschim Renewable Energy Private Limited						
6	SAEL Solar Solution Private Limited						
7	KTA Power Private Limited				I First pari passu charge by way of:- (a) a first ranking charge over all immovable property of the borrower relating to the project (including the Site); (b) a first ranking charge over all movable property of the borrower relating to the project; (c) a first ranking charge over any and all present and future cash flows, receivables, book debts and revenue or income of the borrower in relation to the Project and any and all present and future receivables from the other borrowers in accordance with the terms of the Finance documents; (d) a first ranking charge over all present and future intangible assets of the borrower relating to the project, including but not limited to all goodwill, and any unallocated capital; (e) first ranking charge over all present and future rights, title, and interest of the borrower in; (f) any of the project documents relating to the project; (g) the project or authorizations; (h) the Holding entity shareholder loan agreement; (i) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any counterpart under the project documents relating to the Project; and (j) Insurance proceeds; (k) a first ranking charge over the accounts of the borrower relating to the project including but not limited to the accounts and the debt service reserve account; and (l) a first ranking charge over the entire current assets of the borrower, present and future.	Tenure of loan is 12.08 years. The loan is repayable in 38 quarterly installments starting from January 2026 and ending in April 2035. The rate of interest is the percentage rate per annum which is the aggregate of the: (a) Margin; and (b) applicable Cost of Funds for the lender for the Loan currently ranging between 9.00% to 11.00% per annum.	
8	Chattargarth Renewable Energy Private Limited						
9	Sandeshahar Agri Energy Private Limited	Term Loan	Bank	Asian Development Bank			
10	TNA Renewable Energy Private Limited						
11	VCA Power Private Limited						
12	SAEL Solar P9 Private Limited				a) a first charge, by way of mortgage, in a form and manner satisfactory to the Lender's, on all the immovable properties of the borrower in relation to the project, both present and future; b) a first charge on all the tangible movable assets of the borrower, including movable plant and machinery, equipment and all other movable assets of the Borrower, both present and future; c) a first charge over all accounts and all other bank accounts of the Borrower, in relation to the project including the trust and retention account and the sub-account thereof including the Debt Service Reserve Accounts, both present and future; d) a first charge on all revenues and receivables of the Borrower, in relation to the project whether or not deposited in the accounts, the bank debts of the borrower, the operating cash flows of the borrower and all other commissions and revenues and cash of the borrower and all investments of the borrower, both present and future; e) a first charge on all other current assets and intangible capital of the borrower, with present and future; f) a first charge on all rights, title, interests, benefits, claims and demands whatsoever of the borrower in the project documents (including the PPA), all the clearances, to the extent permissible by applicable law, letter of credit, guarantee and liquidated damages and all insurance contracts, both present and future; the charge shall first be created by way of deed of hypothecation and then by way of Instrument of Mortgage along with mortgage of land g) a pledge of the 51% of Shares/ Preference shares/ CCDS/ all other instruments and securities issued by the Borrower which are compulsory convertible to Shares by respective pledgers.	Tenure of loan is 19.50 years inclusive of construction period of 15 months and moratorium period of 6 months and repayment period of 18.25 years. The loan is repayable in 73 quarterly installments starting from December 2026 and ending in December 2044. Rate of interest @ NCDL (6M) + 0.50% i.e. 9.40% p.a. (31 March 2024 - Nil)	
13	SAEL Solar P10 Private Limited	Term loan	Bank	State Bank of India			



39 Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower	Name of Bank/ Financial institution	Nature of security	Term of repayment and interest rate	As at 31 March 2023
14	SAEL Solar PG Private Limited	Cash Credit Facility	Bank	Indian Bank	a) Exclusive charge over all immovable assets of the Borrower together with all buildings, structures thereon and, rights under the right to use by way of any allocation letter, both present and future, if any. b) Exclusive charge on all the Borrower's tangible movable assets including, but not limited to plant, machinery, machines, spares, tools, accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future c) Exclusive charge on Current Assets namely stock of raw materials, semifinished and finished goods, stores and spares etc. d) Investments and Receivables and other movables of the borrower, both present and future, goodwill, intellectual property rights, unallotted capital of the Borrower and undertakings, present and future e) Exclusive charge/assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under the Project Documents (including but not limited to Insurance Contracts, insurance the Guarantees and rights under Land Use Permission Agreement) all as amended, varied or supplemented from time to time f) Exclusive charge/assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit (or such other security provided to be provided by the payee, guarantee including contractor guarantees, Liquidated Damages and performance bonds (if any) provided by any party to the Project Documents, present and future g) Exclusive charge on all the bank accounts of the Borrower pertaining to the Project, including without limitation, the Trust and Retention Account, and the Sub-Accounts (including but not limited to the Debt Service Reserve Account or any account in substitution thereof, but excluding the Distribution Account), opened pursuant to the provisions of the Trust and Retention Account Agreement, wherein all revenues, disbursements, Receivables and all funds of the Borrower shall, from time to time, be deposited, and all Permitted Investments or other securities representing all amounts credited thereto. h) Pledge of shares held by shareholders in Borrower representing 30% of total paid up equity share capital. The pledge shall be subject to the provisions of Section 19(2) and Section 19(3) of the Banking Regulation Act, 1949.	Interest @ Tenor linked MCLR plus 0.75% p.a. i.e. 9.60% (31 March 2024 - till)	



39 Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower : from	Name of Bank/ Financial Institution	Nature of security	Terms of repayment and interest rate	As at 31 March 2023
15	SAEL Solar P6 Private Limited	Term loan	Bank	Indian Bank	(A) Charge is on entire movable & immovable fixed assets of the 2GW solar Module Manufacturing Plant located in village Paim, Kishangarh Distt. Ajmer, Rajasthan. (B) entity to create maintain Debt Service Reserve Account (DSRA) for 3 months principal and interest. (C) Pledge of 51% shares of the promoters from the equity contribution introduced for the proposed projects.	Interest @ 1 Year MCLR plus 0.75% p.a. i.e. 9.75% (31 March 2024 -@ 1 Year MCLR plus 0.75%) The loan is repayable in 20 Quarterly instalments starting from 30 September 2024 and ending in 30 June 2029.	-
16	Sunfree North East Renewable Energy Private Limited	Term Loan	Bank	Indian Bank	i) First charge on entire movable & immovable fixed assets of the 15MW solar power project located in village Vankal, Distt. Khawazul, Mizoram. ii) Assignment of Bill of Lading/Transport documents in respect of Imported/indigenous Plant & Machinery & other equipments to be purchased for the two projects. iii) First Charge on the Project receivables, operating cash flows, commissions, revenues at what so ever nature and wherever arising present and future, intangible goodwill, uncollateral capital present & future and current assets. iv) First Charge on all the proposed bank account included but not limited to the Escrow account, where all cash inflows from the project shall be deposited. v) First charge of all contracts including off take contracts, documents, insurance policies related to the said solar power project, rights, title, permits approvals, clearances, interest to the entity. vi) Assignment of all the entity's right and interest related to the proposed project under Letter of Credit, Guarantee or performance Bond provided by any party for any contract related to the proposed project in favour of the entity. vii) Mortgage of the lease hold rights w.r.t. land allocated for the entire project approx. 105 acres at village Vankal, Distt. Khawazul, Mizoram. viii) entity to create/maintain Debt Service Reserve Account (DSRA) for 02 quarters Principal and interest. The First qtr (One qtr interest & Principal) to be built/created within a time period as per estimates. ix) Assignment of Receivable Rights/Power Purchase Agreement (PPAs) signed with Govt. of Mizoram. x) Pledge of 30% shares of the promoters and non disposable undertaking for the remaining 21% equity contribution introduced by the promoters for the said project	Interest @ 1 year MCLR+ 0.75% p.a. (31 March 2025 : @ 1 year MCLR+1.5 % p.a.) The loan is repayable in monthly instalments starting from January 2023 and ending in December 2027.	583.18
17	Sunfree Energy RPI Private Limited	Term Loan	Bank	Punjab National Bank	1. First & exclusive charge on all the proposed block assets of the entity to be established/constructed on the leased land situated at District Jalore Rajasthan. 2. On all the movable properties and assets, including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle, equipment/Solar Panels and other movable assets both present and future related to the Project; 3. On all current assets including bank debts, operating cash flows, receivables, Slewover/TRA account, bank accounts (current account, debt service reserve account), commissions, revenues of Viasawer nature and wherever arising intangibles, goodwill, uncollateral capital, all moneys, receivables, cash in hand, cash in accounts both present and future of the related to the Project; 4. Lease hold rights of factory land and building on approximately 1000 acres of land situated at District Jalore, Rajasthan.	Rate of interest @ 1Y MCLR + 0.10% i.e. 9.00% p.a. Interest is payable on a quarterly basis. The loan is repayable in 75 quarterly instalments starting from June 2020 and ending in December 2044.	-
18	SAEL Solar Mfg Private Limited	Term Loan	Bank	Punjab National Bank	1. First & exclusive charge on all the entire block assets of the entity. 3. Personal and corporate Guarantee of Jatin Awla(Chairman), Jasbir Awla(Director) and Pankaj Awla (Director)	Interest rate is repo linked lending rate @ 9.25% (Repo rate 0.5% + Markup: 2.5%) + BSP (0.25%) - Spread (0.75%) Interest is payable on a monthly basis. The loan is repayable in 78 monthly instalments starting from January 2025 and ending in August 2031.	-
19	SAEL Solar Mfg Private Limited	Cash Credit Facility	Bank	Punjab National Bank	Charge on entire present & future current assets of the entity including stocks & bank debts arisen out of genuine trade transactions not older more than 90 days	Interest Rate is repo linked lending rate @ 9.75% (Repo rate 6.5% + Markup: 2.5%) +BSP (1.25%) -Spread (0.75%)	87.99
20	KTA Power Private Limited	Working Capital Facility	Bank	ICICI Bank	1. First pari passu charge by way of:- a) Charge by way of hypothecation on all current assets (excluding assets specifically charged to other lenders) of the Borrower, including but not limited to: i. bank debts; ii. receivables; iii. Trust and Retention Account (TRA) of the Borrower; b) Charge by way of hypothecation on all movable fixed assets of the Borrower. c) Mortgage of all the immovable properties owned by the Borrower.	Rate of Interest @ Repo Rate + Spread (currently effective rate 9.80% + 9.90%) (31 March 2024 Nil). Interest is payable on a monthly basis.	-
21	Chaitanya Renewable Energy Private Limited	Working Capital Facility	Bank	ICICI Bank	First pari passu charge by way of:- (a) hypothecation on all current assets (excluding assets specifically charged to other lenders), including but not limited in bank debts, receivables, TRA of the borrower. (b) hypothecation on all movable fixed assets of the borrower. (c) Mortgage of all immovable properties owned by the borrower.	Rate of interest @ Repo Rate + Spread (currently effective rate 9.80% + 9.90%) (31 March 2024 Nil). Interest is payable on a monthly basis.	-
22	SAEL Solar Mfg Private Limited	Bank overdraft	Bank	ICICI Bank	Overdraft facility obtained from ICICI Bank Limited against the primary security of investment in bank deposits made by the company.	Overdraft facility from ICICI Bank Limited, secured primarily by bank deposits with rate of interest @ 1.50% plus interest rate of bank deposit. (31 March 2024 Nil).	-



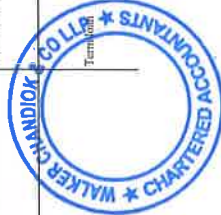
39 Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrowed from	Name of Bank/ Financial institution	Nature of security	Terms of repayment and interest rate	As at 31 March 2023
23	TNA Renewable Energy Private Limited	Working Capital Facility	Bank	ICICI Bank	First pari passu charge by way of: (a) hypothecation on all current assets (excluding assets specifically charged to other lenders), including but not limited to bank deposits, receivables, TRAs of the borrower; (b) hypothecation on all movable fixed assets of the borrower; (c) mortgage of all immovable properties owned by the borrower. The entire facility, together with all interest, additional interest, liquidated damages, fees, premia on prepayment, costs, charges, expenses and all other monies whatsoever shall be secured inter alia, by a first exclusive charge (hypothecation) present and future a) On all current assets of the Borrower including bank deposits, operating cash flows, receivables, Escrow/TRA account, bank accounts (current account, debit service reserve account), commissions, revenues of whatsoever nature and wherever arising (including, goodwill, unallocated capital, all monies, receivables, cash in hand, cash in accounts, both present and future of the Borrower related to the Project; b) On letters of credit, performance bonds or guarantees provided by any person for any contract in relation to the Project in favour of the Borrower; c) On all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in each of the Project Documents, if required as per the terms of such Project Document, including the right to receive any liquidated damages; d) On all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the documents; e) On all insurance contracts/proceeds under insurance contracts in relation to the Project/ current asset, operation of the entity. 1. A first pari passu charge by way of mortgage on all immovable assets of the borrower, both present and future; 2. A first pari passu charge by way of hypothecation over all the tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future; 3. A first pari passu charge over all accounts of the including the DSRA, Trust and Retainer account (TRA), Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with TRA, or any of the other project documents and all funds from time to time deposited therein, the receivables and all authorized investments or other securities; 4. A first pari passu charge by way of hypothecation, on all intangible assets of the borrower including but not limited to goodwill and undertaking both present and future; 5. A first pari passu charge by way of pledge of 100% fully paid-up equity shares and -references shares of the borrower; 6. A first pari passu charge by way of pledge of 100% of debentures/ securities, if any, issued by the borrower; 7. Assignment by way of hypothecation of unsecured loans and other instruments issued by the promoter / any other person; 8. A first pari passu charge cum assignment by way of hypothecation to be created on: a) all the rights, titles, interests, benefits, claims and demands whatsoever of the entity in the project documents duly acknowledged by the relevant counterparties to such project documents (if acquired), all as amended, varied or supplemented from time to time; b) all the rights, titles, interests, benefits, claims and demands whatsoever of the entity in any letter of credit, guarantee including contractor guarantees, performance guarantees, bank guarantees and liquidated damages and performance bond provided by any party to the project documents; c) all the rights, titles, interests, benefits, claims and demands whatsoever of the entity under all insurance contracts; d) all the rights, titles, interests, benefits, claims and demands whatsoever of the entity under all project stabilization date 9. Other collateral: Corporate guarantee of sponsor valid till creation and perfection of security and project stabilization date 1. A first pari passu charge by way of mortgage on all immovable assets (freehold/leasehold) of the borrower, both present and future; 2. A first pari passu charge by way of hypothecation over all the tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future; 3. A first pari passu charge over all Project accounts of the including the DSRA, Trust and Retainer account (TRA), Escrow Account and the Sub-Accounts that may be opened in accordance with TRA, or any of the other project documents and all funds from time to time deposited therein, the receivables and all authorized investments or other securities; 4. A first pari passu charge by way of hypothecation, on all intangible assets of the borrower including but not limited to goodwill and undertaking both present and future; 5. A first pari passu charge by way of pledge of 100% fully paid-up equity shares/ preference shares of the Borrower and debentures/securities if any, issued by the borrower; 6. A first pari passu charge cum assignment by way of hypothecation to be created on: a) all the rights, titles, interests, benefits, claims and demands whatsoever of the entity in the project documents duly	The rate of interest shall be sum of the RBI Repo Rate + Spread per annum, plus applicable statutory levy, if any/ currently effective rate: 9.80% - 9.90% Rate of interest - 1 year MCLR plus 2.65% per annum (31 March 2024: Nil) The loan is repayable in 34 quarterly instalments starting from september 2023 and ending in March 2025.	
24	SAEL Industries Limited	Cash Credit Facility	Bank			Rate of interest - 1 year MCLR plus 2.65% per annum (31 March 2024: 1 year MCLR plus 1.00% per annum)	
25	SAEL RE Power Private Limited	Term Loan	Financial Institutions	Assam Infra Finance		Rate of interest is 9.65% p.a. (31 March, 2024 : Nil) The loan is repayable in 34 quarterly instalments starting from september 2023 and ending in March 2025.	
26	SAEL Solar MHP2 Private Limited	Term Loan	Financial Institutions	Tata Capital Limited		Rate of interest is 9.33% p.a.(31 March 2024: Nil) Interest is payable on a quarterly basis. The loan is repayable in 74 installments starting from June 2026 and ending in September 2044.	



39. Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower, From	Name of Bank/ Financial Institution	Nature of security	Terms of repayment and interest rate	As at 31 March 2022
36				India Infrastructure Finance Company Limited	8. Assignment by way of hypothecation of unsecured loans and other instruments in listed by the Promoter/any other person (and their permitted transferees). 9. Other Collateral: Corporate Guarantee of Promoter valid till creation and perfection of security and project stabilization date.		-
37	SAEL Solar MHP1 Private Limited	Bank overdraft	Bank	ICICI Bank	Overdraft facility obtained from ICICI Bank Limited against the primary security of investment in bank deposits made by the entity.	Overdraft facility from ICICI Bank Limited are secured primarily by bank deposits with rate of interest @ 1.50% plus interest rate of bank deposit. (31 March 2024: Nil)	-
38	Sankarshabar Agri Energy Private Limited	Working Capital Facility	Bank	ICICI Bank	First pari passu charge by way of: (a) Hypothecation on all movable assets (excluding assets specifically charged to other lenders including but not limited to bank debts, receivables and TRs) of the borrower; (b) Hypothecation on all movable fixed assets of the borrower; (c) Mortgage of all immovable properties owned by the borrower.	The rate of interest shall be sum of the RBI Repo Rate + Spread per annum, plus applicable statutory levy, if any (currently effective rate: 9.80% + 9.90%)	-
39	SAEL Limited				First ranking pari passu mortgage or charge over: (a) the immovable, movable and current assets of the entity; (b) rights under the power purchase agreements, project documents and insurance policies of the entity; (c) 100% of the shares of the entity; (d) debt will also be cross guaranteed by all Co-issuers		-
40	Universal Biomass Energy Private Limited	Working Capital Facility	Bank	Hongkong and Shanghai Banking Corporation	(e) AGR1-3 Fund guarantee (75 of total facilities) Co-issuers are defined as: SAEL Limited, Sunfree Pachim Renewable Energy Private Limited, SAEL Solar Solution Private Limited, Janssar Green Power Energy Private Limited, SAEL Kaithal Renewable Energy Private Limited and Universal Biomass Energy Private Limited	Rate of interest shall be sum of the RBI Repo Rate + Spread per annum, plus applicable statutory levy, if any (currently effective rate: 8.80% + 8.90%)	-
41	Janssar Green Power Energy Private Limited						246.57
42	SAEL Kaithal Renewable Energy Private Limited						
43	SAEL Limited			1. India Infrastructure Finance Limited 2. ASEEM Infrastructure Finance Limited 3. TATA Cleantech Capital Limited 4. Kosak Infrastructure Debt Fund Limited	First ranking pari passu mortgage or charge over: a) Mortgage of the entire immovable properties of the entity (whether freehold or leasehold), both present and future; b) Charge by way of hypothecation on the entire movable properties of the entity, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties; c) Charge on the entire cash flows, receivables, book debts and revenue of the entity "whichever nature and wherever arising, both present and future including monies lying in the Debt Service Reserve Account, Escrow account and any cash trap account; d) Charge by way of assignment or hypothecation, of all the rights, title, interest, benefits, claims and demands whatsoever of the entity in the Project Documents (to the extent permitted), duly acknowledged and consented to by the relevant counterparties.	Rate of interest is 9.85% p.a. (in the previous year @ 9.85% p.a.) subject to an increase of 0.25% for each notch of a downgrade of External Credit Rating. Interest is payable on a monthly basis. The loan is repayable in 40 installments starting from March 2023 and ending in November 2023. Mandatory cash sweep is repayable in 21 installments starting from March 2023 and ending in November 2023.	12,322.55
44	Universal Biomass Energy Private Limited			India Infrastructure Finance Limited		The full repayment has been done during the year ended 31 March 2025.	-
45	Canal Solar Energy Private Limited	Non-convertible debentures	Financial Institution	India Infrastructure Finance Limited	f) an irrevocable and unconditional corporate guarantee from each Guarantor (on a joint and several basis) (see note 43) in favour of the Common Security Trustee, in accordance with the terms of the Amended and Restated Cross Guarantee Agreement; g) Personal Guarantee of Mr. Jashir Singh; h) Surplus account maintained in terms of the Trust and Retention Account Agreement; and i) Charge on the contingency account and master surplus account maintained at SAEL Limited (see note 43) in terms of the retention account agreement entered into by SAEL Limited. j) Surplus accounts of the Co-issuers other than the entity and SAEL Limited maintained in terms of their respective trust and retention account agreement. Co-issuers are defined as all of the issuers, i.e. SAEL Limited, Canal Solar Energy Private Limited, Laxjet Renewable Energy Private Limited and Universal Biomass Energy Private Limited		-
46	Laxjet Renewable Energy Private Limited			1)TATA Cleantech Capital Limited 2)ASEEM Infrastructure Finance Limited			-
47	Sunfree Pachim Renewable Energy Private Limited			1)TATA Cleantech Capital Limited 2)Kosak Infrastructure Debt Fund Limited 3)ASEEM Infrastructure Finance Limited			-
48					Term loan is secured by first charge on entire fixed assets of the company purchased or to be purchased for roof top solar northern railway sites at Kalka, Jagadhari, Amritsar, Chahugh and Alamnaghi.	Rate of interest @ 7.50% p.a. to 9.00% p.a. in 31 March 2024 (31 March 2023: 7.00% p.a. to 8.30% p.a.)	51.59
49	SAEL Limited	Term loan	Bank	State Bank of India	Term loan is secured by first charge on entire fixed assets of the company purchased or to be purchased for roof top at Adesh Foundation and Delhi Sikh Gurdwara Management Committee and other proposed locations.	The full repayment has been done during the year ended 31 March 2024.	54.35
50					Term loan is secured by first charge on entire fixed assets purchased or to be purchased as per sectional project.		250.86
51	SAEL Engineering Private Limited	Working Capital Facility	Bank	State Bank of India	Working capital facility from banks on consortium / standalone basis are secured against entire current assets of the entity by hypothecation of present and future stocks of raw material, finished goods, packing material, spare parts on the basis of first pari-passu charge of the respective units with consortium members banks equitable mortgage of specific properties in various units/ locations in the name of directors, family members and personal guarantees of directors and family members.	Rate of interest is @ 8.00% p.a. to 10.00% p.a. The full repayment has been done during the year ended 31 March 2025.	57.15
52	SAEL Limited	Term loan	Bank	Indian Bank	(A) Exclusive charge on entire fixed assets located in village Shapuram, Mawasa and Khutela in Ichhi Kurah, Uttar Pradesh including equitable mortgage of entire project land and building to be constructed there upon and hypothecation charged on plant and machinery and equipment and other current assets both present and future of the said project. The hypothecation facility is further secured by personal guarantee of directors and their relatives.	Rate of interest @ 9.00% p.a. to 11.00% p.a. in 31 March 2024 (31 March 2023: 9.00% p.a.) The full repayment has been done during the year ended 31 March 2024.	1,043.06



39 Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower	From	Name of Bank/ Financial Institution	Nature of security	Term of repayment and interest rate	As at 31 March 2023
53	SAEL Kaithal Renewable Energy Private Limited	Term loan	Bank		Indian Bank	(A) Primary Security:- (i) Part – passu first charge on the fixed assets created with the bank finance in 15 MW biomass power project of the entity at Kaithal, Haryana (ii) Part – passu first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, bank accounts, cash inflows etc. (iii) Mortgage on the land acquired by the company for the 15 MW biomass power project at village Kangthali ehsil Guha district Kaithal, Haryana (B) Collateral security:- (i) Assignment of receivable rights/Power Purchase Agreements (PPAs) signed with Haryana Power Purchase Centre (HPPC) (ii) Collateral security by way of pledge of 51% shares to be acquired by the promoters by way of equity promotion contribution (C) The credit facility is further secured by personal guarantee of directors and their relatives	Rate of interest @ 5.95% p.a. in 31 March 2024 (31 March 2023: 8.80% p.a.) The loan is repayable in 120 monthly instalments starting from September 2021 and ending in August 2031. But now the loan has been shifted to UCO Bank. The full repayment has been done during the year ended 31 March 2024.	401.14
54	Laxjet Renewable Energy Private Limited	Term Loan	Bank		Punjab National Bank	(A) Primary Security:- Exclusive charge on all existing and proposed block assets of the company to be constructed/ installed on 18.10 acres of land at village Anarkali, Taluk Nagamangala, district Mandya in the state of Karnataka by any other security acceptable to the bank. (B) Collateral Security:- In line with extent guidelines conveyed through LA No. 74 dated 30.09.2016, co-ateral security in the shape of equitable mortgage of immovable property i.e commercial building having market value of Rs 43,70,100 thousand and realisable value of Rs 39,400 thousand million providing 17.31% collateral average. (C) The credit facilities is further secured by personal guarantee of directors and their relatives	Rate of interest @ 8.00% p.a. to 10.90% p.a. The full repayment has been done during the year ended 31 March 2024.	135.90
55	Jaresar Green Power Energy Private Limited	Term Loan	Bank		Punjab National Bank	First & exclusive charge on all the proposed block assets of the entity to be installed/constructed on the factory land situated at Village Jaresar North, Tehsil Nohla District Bikaner.	Rate of interest is 9.15% p.a. The loan is payable in 177 monthly instalments starting from October 2025 and ending in June 2040. The entity has prepaid the entire loan during the current year. The full repayment has been done during the year ended 31 March 2025.	
56	SAEL Solar Solution Private Limited	Term loan	Bank		Punjab National Bank	First & exclusive charge of our bank on all the proposed block assets of the entity to be installed/constructed on the leased land (Lease land not proposed to be mortgaged) situated at dist of Punjab	Rate of interest is of 11 (31 March 2024 :- 9.5% p.a.) The loans are repayable in 77 quarterly instalments starting from January 2025 and ending in January 2044. The full repayment has been done during the year ended 31 March 2025.	
57	Laxjet Renewable Energy Private Limited	Working Capital Facility	Bank		Punjab National Bank	(A) Exclusive charge of Punjab National Bank on all existing and proposed block assets (including plant and machinery and equipment installed or to be installed). Building already constructed to be constructed including equitable mortgage of land at Village Anarkali, Taluk Nagamangala, District Mandya in the state of Karnataka or any other security acceptable to the bank. (B) Extension of charge over the existing primary and collateral securities excluding personal/ Corporate guarantee wherever applicable	Rate of interest @ 7.50% p.a. to 8.00% p.a.) The loan has been prepaid on 3 April, 2023.	56.92
58	Universal Biomass Energy Private Limited	Working Capital Facility	Bank		Punjab National Bank	Working capital facility from bank on consortium / stand alone basis are secured against entire current assets of the company by hypothecation of present and future stocks of raw material, finished goods, packing material, spare parts on the basis of first part-passu charge of the respective units with consortium members banks equitable mortgage of specific properties at various units/ locations in the name of directors, family members and personal guarantees of directors and family members.	Rate of interest (6.30% p.a. to 10.00% p.a) The loan is repayable on demand.	249.65
59	SAEL Kaithal Renewable Energy Private Limited					(A) Primary security:- (i) Part – passu first charge on the fixed assets created with the bank finance in 15 MW biomass power project of the entity at Kaithal, Haryana (ii) Part – passu first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, bank accounts, cash inflows etc. (iii) Mortgage on the land acquired by the entity for the 15 MW biomass power project at village Kangthali ehsil Guha district Kaithal, Haryana (B) Collateral security:- (i) Assignment of receivable rights/ Power Purchase Agreements (PPAs) signed with Haryana Renewable Energy Development Agency (HAREDA) Haryana to secure the repayments. (ii) Collateral security by way of pledge of 51% shares to be acquired by the promoters by way of equity promotion contribution (C) The credit facility is further secured by personal guarantee of directors and their relatives	Rate of interest is 9.95% p.a. (31 March, 2024 :- 9.95% p.a.) The loan is repayable in 120 monthly instalments starting from September 2021 and ending in August 2031. The full repayment has been done during the year ended 31 March 2025.	465.21
60	SAEL Kaithal Renewable Energy Private Limited	Term loan	Bank		UCO Bank	(A) Primary security:- (i) Part – passu first charge on the fixed assets created with the bank finance in 15 MW biomass power project of the entity at Kaithal, Haryana (ii) Part – passu first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, bank accounts, cash inflows etc. (iii) Mortgage on the land acquired by the entity for the 15 MW biomass power project at village Kangthali ehsil Guha district Kaithal, Haryana (B) Collateral security:- (i) Assignment of receivable rights/ Power Purchase Agreements (PPAs) signed with Haryana Renewable Energy Development Agency (HAREDA) Haryana to secure the repayments. (ii) Collateral security by way of pledge of 51% shares to be acquired by the promoters by way of equity promotion contribution (C) The credit facility is further secured by personal guarantee of directors and their relatives	Rate of interest is 9.75% p.a. (31 March, 2024 :- 9.75) The loan is repayable in 97 monthly instalments starting from July 2021 and ending in July 2031. The full repayment has been done during the year ended 31 March 2025.	
61	SAEL Limited				Punjab National Bank		Rate of interest is 6.85% p.a. to 9.50% p.a. (In the previous year :- 7.00% p.a. to 9.00% p.a.) The loans are repayable as per their respective sanctioned terms, ending in July 2025. The full repayment has been done during the year ended 31 March 2025.	2.70



39 Terms of borrowings

S. No.	Entity Name	Nature of loan	Borrower	Name of Bank/ Financial Institution	Nature of security	Terms of repayment and interest rate	As at 31 March 2023
62	SAEL Kaihal Renewable Energy Private Limited	Vehicle loan	Bank	UCO Bank	Vehicle loans are secured against the specific vehicle for which the loan is sanctioned.	Rate of interest @ 7.00% p.a. to 9.00% p.a. (31 March 2024 - 31 March 2023; 7.00% p.a. to 8.00% p.a.) The loan is repayable in 84 monthly instalments starting from October 2021 and ending in September 2028. The full repayment has been done during the year ended 31 March 2024.	1.44
63	Universal Biomass Energy Private Limited			AJ Small Finance Bank		Rate of interest is @ 8.50% p.a. (31 March 2024; 8.50% p.a.) The loan is repayable in 60 monthly instalments starting from February 2021 and ending in February 2026. The full repayment has been done during the year ended 31 March 2025.	1.90
64	SAEL Kaihal Renewable Energy Private Limited			Axix Bank		Rate of interest is 7.00% p.a. to 8.00% p.a. (31 March 2024 - 31 March 2023; 7.00% p.a. to 8.00% p.a.) The loan is repayable in 62 monthly instalments starting from March 2020 and ending in April 2025. The full repayment has been done during the year ended 31 March 2025.	1.49
65	SAEL Limited	Cash Credit Facility	Bank		Cash credit facility from banks on consortium / standalone basis are secured against: entire current assets of the entity by hypothecation of present and future stocks of raw material, finished goods, packing material, spare parts, trade receivable advance paid to suppliers of raw material on the basis of first part-payment charge of the respective units with consortium members banks equitable mortgage of specific properties at various units/ locations in the name of directors, family members and personal guarantors of directors and family members.		543.76
66	Universal Biomass Energy Private Limited	Working Capital Facility	Bank	ICICI bank	(A) Primary security- Charge on entire present and future current assets of the entity. (B) Collateral security- Charge on the existing properties held as collateral. The additional working capital term loan granted shall rank pari passu with the existing credit facilities in terms of call flows.	Rate of interest is @ 7.50% p.a. (31 March 2024; 7.50% p.a.) The full repayment has been done during the year ended 31 March 2025.	-

16,587.41



40 Related party disclosure

In accordance with Ind AS-24 on related parties disclosures where control exist and where transactions have taken place and description of the relationships as identified and certified by the management are as follows:

A) Name of related parties and description of relationship

Name of the party	Description of relationship
Key managerial personnel (KMP) and directors	
Mr. Jasbir Singh	Managing Director
Mr. Sukhbir Singh	Director
Mr. Laxit Awla	Director and CEO
Mrs. Seema Awla	Relatives of key managerial personnel
Mrs. Palki Awla	Relatives of key managerial personnel
Mrs. Neetu Awla	Relatives of key managerial personnel
Mr. Harbhajan Singh	Independent Director (w.e.f. 29 March 2023)
Mr. Inge Karsten Stoelen	Director (till 8 August 2024)
Mr. Bjornar Baugerud	Director (w.e.f. 06 May 2024)
Ms. Kainaat Awla	Director (w.e.f. 28 March 2025)
Mr. Ashok Lavasa	Independent Director (w.e.f. 01 October 2024)
Mr. Oistein Magnar Andresen	Director (w.e.f. 09 August 2024)
Mr. Hemant Sahai	Independent Director (w.e.f. 06 December 2023)
Mr. Dushyant Kumar	Chief Financial Officer (w.e.f. 04 July 2023)
Mr. Aviansh Jaiswal	Chief Financial Officer (w.e.f. 25 April 2023)
Mr. Vishal Garg	Company Secretary (w.e.f. 04 July 2023)

Entities under significant influence of directors/KMP

Sapphire Agri Warehousing Private Limited
Sun Layer Energy Private Limited

B) Transaction with related parties

S. No.	Particular	For the year ended 31 March 2023
1	Remuneration to directors/ key managerial personnel^	
	Mr. Jasbir Singh	20.75
	Mr. Sukhbir Singh	20.26
	Mr. Laxit Awla	6.56
	Mr. Vishal Garg	2.46
	Mr. Dushyant Kumar	10.48
	Mr. Aviansh Jaiswal	-
	Ms. Kainaat Awla*	-
		60.51
2	Sitting fees	
	Mr. Harbhajan Singh	1.00
	Mr. Ashok Lavasa	0.50
	Mr. Hemant Sahai	1.00
		2.50
3	Loans taken from related party	
	Mr. Jasbir Singh	-
	Mr. Sukhbir Singh	-
		-
4	Receivable from related party (other financial assets)	
	Sapphire Agri and Warehousing Private Limited	37.57
		37.57
5	Equity share capital subscribed	
	Mr. Jasbir Singh	666.53
	Mr. Sukhbir Singh	558.08
	Mr. Laxit Awla	65.39
	Mrs. Palki Awla	-
	Mrs. Seema Awla	-
		1,290.00

6 Services given to related parties



SAEL Industries Limited

CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023

Sun Layer Energy Private Limited

^Includes short-term employee benefits and post employment benefits expenses incurred by the company.

*The disclosure for year ended 31 March 2023 has been made in capacity of relatives of key managerial personnel (KMP) and directors.



Mr. S. K. S. S.

C) Outstanding balances

S. No.	Particular	As at 31 March 2023
1	Loan from related parties (current borrowings)	
	Mr. Jasbir Singh	124.85
	Mr. Sukhbir Singh	221.39
		346.24
2	Receivable from related party (other financial assets)	
	Sapphire Agri and Warehousing Private Limited	37.57
		37.57
3	Other non current assets	
	Sun Layer Energy Private Limited	51.89
		51.89
4	Payable to related party (other financial liability)	
	Sapphire Agri and Warehousing Private Limited	-
		-
5	Security deposit given	
	Palki Awla	-
	Seema Awla	-
	Neetu Awla	-
		-

Notes:

a) All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement is generally done in cash.

b) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

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41 Segment analysis

Management currently identifies the Group's into power generation as its operating segments (refer note 2.25). The Group's Chief Operating Decision Maker (CODM) is its chief executives monitors the performance of this operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

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

The Managing Director of Group takes decisions in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be the Chief Operating Decision Maker (CODM). The operating segments are based on Group internal reporting structure and the manner in which operating results are reviewed by the CODM.

The Group has all its operations in India and engaged in the business of supplying of electricity and other products using solar, fossil and alternate source of energy. Accordingly, the Group's activities/business is reviewed regularly from an overall business perspective, rather than reviewing its services as individual standalone components.

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

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

The Group for the period 25 April 2022 to 31 December 2022 was also engaged in warehousing business and agri business ("Others") apart from renewable power generation ("Power"). The same has been identified and disclosed as reportable segment as under, however the warehousing business and agri business ("Others") segment has been reported only for the period 22 July 2022 till 31 December 2022 as Scheme of arrangement between the SAEL Industries Limited ("Holding Company"), SAEL Limited ("Subsidiary of Holding Company") and Sapphire Agri and Warehousing Private Limited was entered effective from 01 January 2023. Accordingly, as on 31 March 2023, there is no other segment within the group, hence no reporting has been made.

The disclosure relating to performance of relevant segments for the period ended 31 March 2023 has been stated below:

Particulars	Power	Others*	Total
Income			
Segment revenue	3,889.33	16,622.65	20,511.98
Other income	91.90	30.52	122.42
Total income	3,981.23	16,653.17	20,634.40
Less: Income pertaining to discontinued operations	3,981.23	-	3,981.23
Total income from continuing operations	(222.93)	733.00	510.07
Segment results from operations			
Operating profit/(loss)			
Less: Finance costs	983.41	542.29	1,525.70
Loss before tax from continuing operations	(1,206.34)	-	(1,206.34)
Less: Tax expense/(credit)	(360.22)	-	(360.22)
Loss after tax from continuing operations	(846.12)	-	(846.12)
Profit before tax pertaining to discontinued operations	-	190.71	190.71
Less: Tax expense	-	55.28	55.28
Profit after tax after discontinued operations	-	135.43	135.43
Other comprehensive income	(0.08)	-	(0.08)
Total comprehensive income	(846.20)	-	(846.20)

*Refer note 48 for the Scheme of arrangement between the SAEL Industries Limited ("Holding Company"), SAEL Limited ("Subsidiary of Holding Company") and Sapphire Agri and Warehousing Private Limited.

Information about major customers:

Particulars	For the period from	
	25 April 2022 to 31 March 2023	% of total revenue
	Amount	
Punjab State Power Corporation Limited	1,938.25	48%
Uttar Pradesh Power Corporation Limited	1,085.23	27%
Haryana Power Corporation Limited	403.43	10%



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42 Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Holding Company as the numerator, i.e. no adjustments to loss 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:

Particulars	For the period from 25 April 2022 to 31 March 2023
Net loss attributable to the shareholders	(846.13)
Profit pertaining to discontinued operations	135.44
Number of equity shares at the beginning of the year	-
Add: Share issued during the year	4,61,29,197
Total number of shares outstanding post issue	4,61,29,197
Weighted average number of shares issued during the year	-
Weighted average number of shares used in basic and diluted earning per share*	3,41,24,248
Total number of shares outstanding post stock split in the ratio of 1:2 (absolute) (refer note below)	6,82,48,496
Add: Impact of bonus shares issued subsequent to period end in the ratio of 1:12 (absolute) (refer note below)	81,89,81,952
Number of preference shares	9,36,646
Basic and diluted earning per share from continuing operations	(0.95)
Basic and diluted earning per share from discontinuing operations	1.32
Basic and diluted earning per share from continuing and discontinuing operations	0.37

*The Group has not taken effect of compulsory convertible preference shares while computing diluted earning per share as the instrument is variable in nature and without any fixed to fixed conversion feature and the same depends upon valuation which is derived on the basis of a formula at the entry valuation date however the same will change depending upon the secured obligations paid till the date of conversion, therefore the future obligations to be settled cannot be settled as at the signing date.

Note: The impact of events mentioned in note 54 in relation to stock split and bonus shares has been considered retrospectively for the purpose of calculation of basic and diluted earning per share for current year and previous years.

43 Details of assets pledged*

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

Particulars	As at 31 March 2023
Current	
Inventories	1,642.68
Investments	5.71
Loans	-
Trade receivables	783.65
Cash and cash equivalents	3,712.44
Other bank balances	651.20
Other financial assets	394.31
Other current assets	299.72
Total	7,489.71
Non-current	
Property, plant and equipment	12,259.51
Right-of-use assets	-
Capital work-in-progress	1,143.49
Investments	8,617.80
Loans	-
Other financial assets	158.83
Other non current assets	674.89
Total	22,854.52

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

44 Expenditure incurred during construction period

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

Particulars	For the period from 25 April 2022 to 31 March 2023
Opening balance	-
Employee benefit expense	20.94
Consumption of stores & spares	-
Repairs & maintenance	1.64
Rent & hire charges	0.91
Rates & taxes	0.43
Legal & professional charges	0.55
Finance costs	72.56
Depreciation and amortisation expense	1.92
Security services	-
Power & Fuel	-
Bank guarantee charge	-
Freight, cartage and direct labour expenses	-
Insurance	2.47
Travelling and conveyance	1.56
Cost of raw material consumed	-
Asset retirement obligation	-
Miscellaneous expense	109.35



SAEL Industries Limited
CIN - U40106PB2022PLC055755
Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)

Total
Less: amount written off during the year
Less: transfer to property, plant and equipment
Less: miscellaneous income
Net amount included in capital work in progress

	213.32
	-
	(148.63)
	-
	64.69



45 Reconciliation of liabilities from financing activities pursuant to Ind AS-7 Statement of Cash Flows:

31 March 2023					
Particulars	As at 25 April 2022	Cash flows		Non cash changes	As at 31 March 2023
		Additions	Payments		
Long-term borrowings (including current maturities)	-	13,818.00	(7,149.58)	-	15,372.42
Other financial liability (CCPS)	-	3,256.00	-	62.80	3,318.80
Lease liabilities (including current maturities)	-	-	(7.74)	49.30	41.55
Short-term borrowings (net)	-	(32.30)	-	-	1,726.93
Interest accrued on borrowings	-	-	(983.41)	990.75	7.34
Total liabilities from financing activities	-	17,041.70	(8,140.73)	1,102.85	20,467.04

Non-cash investing activities

Particulars	As at 31 March 2023
Acquisition of Right-of-use assets (net)	55.91
	55.91

46 Contingent liabilities and commitments

(i) Contingent liabilities

Particulars	As at 31 March 2023
Disputed demand for	
(i) Customs duty*	145.80
(ii) Income tax**	57.26
	203.06

*The Group has paid under protest amount 4.45 million (31 March 2024 : Rs. 4.45 million, 31 March 2023 : Rs. 4.45 million) against the custom duty, which has been received subsequently as the Group has won the

**The Group has paid under protest amount of Rs. 3.96 million (31 March 2024: 3.96 million, 31 March 2023: 3.96 million) against the same demand. Further, the Department has adjusted Rs. 3.87 million, Rs. 2.11 million and Rs. 7.67 million against the refund order received for Assessment Year 2020-2021, 2024-2025 and 2023-2024 dated 20 March 2024, 12 December 2024 and 25 March 2024 respectively for Assessment Year 2019-2020.

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

Notes:

- Further it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings
- The amounts disclosed above represents the best possible estimates arrived at on the basis of available information and do include any penalty payable.
- The Group does not expect any reimbursements in respect of the above contingent liabilities

(ii) Corporate Guarantee issued by group entities:



As at 31 March 2023:

Borrower Entity	Nature of borrowing (Term Loan/Cash Credit)	Lender	Guarantor	Guarantee issued in favour of	Guaranteed Amount
Chattargarh Renewable Energy Private Limited	Term Loan	Asian Development Bank	SAEL Industries Limited	Asian Development Bank	1,464.00
KTA Power Private Limited					1,519.80
TNA Renewable Energy Private Limited					1,519.80
VCA POWER PRIVATE LIMITED					1,519.80
Sardarshahar Agri Energy Private Limited					1,517.00
Sunfree North East Renewable Energy Pvt. Ltd	Term Loan	Indian bank	SAEL Industries Limited	Indian bank	17,940.00
SAEL Kaihal Renewable Energy Private Limited	Term Loan	UCO Bank	SAEL Industries Limited	UCO Bank	1,734.00
SAEL Limited	Term Loan	Bank of Baroda	Universal Biomass Energy Private Limited	Bank of Baroda	3,198.30
SAEL Limited	Term Loan Cash Credit	Bank of Baroda	Universal Biomass Energy Private Limited	Bank of Baroda	2,150.00
SAEL Limited	Cash Credit	Bank of Baroda	Universal Biomass Energy Private Limited	Bank of Baroda	267.00
Sunfree Paschim Renewable Energy Private Limited	Term Loan	Union Bank of India	SAEL Limited	Union Bank of India	267.00
Sunfree North East Renewable Energy Private Limited	Term Loan	Indian bank	SAEL Limited	Indian bank	267.00

(iii) Cross Guarantees given

Guarantee given by	Cross Guarantee given for	Sanction Amount	As at 31 March 2023
A) SAEL Limited Sunfree Paschim Renewable Energy Private Limited Universal Biomass Energy Private Limited SAEL Kaihal Renewable Energy Private Limited Jasasir Green Power Energy Private Limited SAEL Solar Solution Private Limited	7.8% of Senior Secured Bond Maturing 2031		
B) SAEL Limited Universal Biomass Energy Private Limited SAEL Kaihal Renewable Energy Private Limited Jasasir Green Power Energy Private Limited	Working Capital Demand Loan from Hongkong and Shanghai Banking Corporation		
C) SAEL Limited Universal Biomass Energy Private Canal Solar Energy Private Limited Laxjeet Renewable Energy Private Sunfree Paschim Renewable Energy Private Limited	Non- convertible debentures		12,650.00

(iv) Capital commitment

Particulars	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	425.99
	425.99

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47 Discontinued operations

As a part of business reorganisation, the Board of Directors approved the transfer of warehousing business and agri business, with an objective to segregate the Group's different businesses to ensure the smooth functioning of each business. Accordingly, the Group's warehousing business and agro business are presented as discontinued operations as per the provisions of Indian Accounting Standard - 105 (Ind AS 105) 'Non-current Assets Held for Sale and Discontinued Operations'. Furthermore, the National Company Law Tribunal ("NCLT") has approved the Composite Scheme of Arrangement (the Scheme) between the SAEL Limited, SAEL Industries Limited, Sapphire Agri and Warehousing Private Limited and their respective shareholders and creditors under section 231 to 232 of the Companies Act 2013 ("the Act"), read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent applicable, for the demerger of Warehousing and Agri business ("Demerged Undertaking") of the Group, vide order dated 06 May 2025 (the Order) which has been filed with ROC on 28 May 2025, with effect from the Appointed date being 01 January 2023. The transaction is considered to be a business combination of entities under common control.

The disclosure relating to performance of discontinued from 25 April 2022 till 31 December 2022 is given below:

Particulars	For the period from 04 July 2022 to 31 December 2022
Income	
Revenue from operations	16,622.65
Other income	30.52
Total income	16,653.17
Expenses	
Cost of materials consumed	14,731.64
Employee benefits expense	179.78
Finance costs	542.29
Depreciation and amortisation expense	159.52
Other expenses	849.23
Total expenses	16,462.46
Profit before tax	190.71
Tax expense	55.28
Profit for the period	135.43

Note: Refer note 48 for Scheme of Arrangement between SAEL Industries Limited (the Holding Company), SAEL Limited (a subsidiary of the Holding Company), and Sapphire Agri and Warehousing Private Limited.

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48 Scheme of arrangement between the SAEL Industries Limited ("Holding Company"), SAEL Limited ("Subsidiary of Holding Company") and Sapphire Agri and Warehousing Private Limited

The National Company Law Tribunal ("NCLT") has approved the Composite Scheme of Arrangement (the Scheme) between the SAEL Limited, SAEL Industries Limited, Sapphire Agri and Warehousing Private Limited and their respective shareholders and creditors under section 231 to 232 of the Companies Act 2013 ("the Act"), read Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent applicable, for the demerger of Warehousing and Agri business ("Demerger Undertaking") of the Group, vide order dated 06 May 2025 (the Order) which has been filed with ROC on 28 May 2025, with effect from the Appointed date being 01 January 2023. The transaction is considered to be a business combination of entities under common control.

The Group has given effect to Scheme from the Appointed date i.e. 01 January 2023, as approved by the NCLT in its Order and has accounted for the demerger in its books of accounts in accordance with accounting treatment approved in the Scheme, by way of adjusting the opening balances as at 01 January 2023, considering this is a business combination of entities under common control.

The Group has accounted for demerger as follows:

Information of assets and liabilities transferred on 01 January 2023:

Particulars	Warehousing	Agri	Total (As at 01 January 2023)
Assets directly pertaining to discontinued operations			
Assets			
Non current assets			
Property, plant and equipment	0.60	1,888.57	1,889.17
Right-of-use assets	-	89.87	89.87
Investment property	2,173.23	-	2,173.23
Financial assets			
Other financial assets	1.19	173.70	174.89
Other non current assets	-	624.54	624.54
Total non current assets	2,175.02	2,776.68	4,951.70
Current assets			
Inventories	-	17,387.12	17,387.12
Financial assets			
Investments	-	8.94	8.94
Trade receivables	48.35	6,971.68	7,020.03
Cash and cash equivalents	2.99	17.63	20.62
Bank balances other than cash and cash equivalents	4.96	-	4.96
Other financial assets	55.20	10.45	65.65
Current tax assets (net)	11.49	-	11.49
Other current assets	62.57	1,310.39	1,372.96
Total current assets	185.56	25,706.21	25,891.77
Total assets (A)	2,360.58	28,482.89	30,843.47
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	-	2,063.31	2,063.31
Lease liabilities	-	81.63	81.63
Provisions	0.47	25.28	25.75
Deferred tax liabilities (net)	-	9.28	9.28
Total non current liabilities	0.47	2,179.50	2,180.00
Current liabilities			
Financial liabilities			
Borrowings	26.98	8,761.99	8,788.97
Lease liabilities	-	14.00	14.00
Trade payables	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	57.11	6,111.92	6,169.03
Other financial liabilities	-	51.20	51.20
Other current liabilities	23.67	153.30	176.97
Provisions	0.01	2.26	2.27
Total current liabilities	107.77	15,094.67	15,202.44
Total liabilities (B)	108.24	17,274.17	17,382.41
Net assets (A-B)	2,252.34	11,208.72	13,461.06



Pursuant to the Order, the difference between the book values of the assets and liabilities derecognised in the books of the Group has been debited to the Other Equity: Ret earnings of the Group.

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49 Employee benefits

a) Defined contribution

Contributions are made to the recognised provident fund and cover all eligible employees under applicable Acts. Both the employees and the Group make pre-determined contributions to the provident fund. The contributions are normally based upon a proportion of the employee's salary.

The Group has recognised the following amount in the special purpose Consolidated Statement of Profit and Loss:

Particulars	For the period from 25 April 2022 to 31 March 2023
Employer's contribution to Employee's Provident Fund	18.98
Employer's contribution to Employee's State Insurance and other funds	1.06
	<u>20.04</u>

b) Other long term employee benefits

The actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit Method. The amount recognised as an expense towards compensated absences for period ended 31 March 2023: 18.38 millions. As at 30 June 2025, provision for compensated absences amounts to Rs. 18.38 millions as provision for employee benefits in note 29. Since the group does not have an unconditional right to defer settlement of any of the obligation, it is disclosed as current liabilities. However, the group does not expects that all the leave obligations will be settled in the next 12 months.

Particulars	As at 31 March 2023
Present value of obligation as at the end of the year/period	18.38
Compensated absences	
Current and non-current liability bifurcation	
Non current	-
Current	18.38
	<u>18.38</u>

c) Defined benefit plans

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

(i) Summary of defined benefit plans

	As at 31 March 2023
Reconciliation of liability recognised in the Balance sheet:	
Present value of commitments	31.50
Net liability in the balance sheet	31.50
Movement in net liability recognised in the Balance sheet:	
Net liability as at the beginning of the year	14.29
Net amount recognised as expenses in the statement of profit and loss	19.40
Benefits paid	(2.12)
Remeasurements-actuarial (gains) / losses	(0.12)
Net liability as at the end of the year	31.45
Expenses recognised in the statement of profit and loss	
Current service cost	15.53
Past service cost	3.42
Interest cost	0.45
	19.40
Expenses charged to the statement of profit and loss	
Component of defined benefit cost recognised in other comprehensive income	(0.12)
Non current	28.71
Current	2.79

(ii) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023
Balance as at the beginning of the year/period	14.29
Current service cost	15.53
Past service cost	3.42
Interest cost	0.45
Benefits paid	(2.12)
Actuarial losses recognised in other comprehensive income	(0.12)
Balance as at the end of the year/period	<u>31.45</u>

(iii) Net liability recognised in the special purpose consolidated statement of assets and liabilities

Particulars	As at 31 March 2023
Non-current	28.71
Current	2.79
	<u>31.50</u>

(iv) Amount recognized in special purpose consolidated statement of profit and loss

Particulars	For the period from 25 April 2022 to 31 March 2023
Current service cost	15.53
Past service cost	3.42
Interest cost	0.45
	<u>19.40</u>



51 (b) Details for funds received and loaned as intermediary

a) Funds received from foreign entity (Funding Party)

Funding Party	Date	As at 31 March 2024	As at 31 March 2023
NORFUND	15 May 2024	-	-
	13 October 2023	1,600.00	-
	17 February 2023	-	1,680.63
NORFUND	02 February 2024	1,450.00	-
	15 February 2024	2,587.06	-
U.S. International Development Finance Corporation (DFC)		5,037.06	1,680.63

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

31 March 2023	Date	31 March 2023
Intermediary Entity	Multiple dates	1,680.63
SAEL Limited		

c) Funds lend to Ultimate Beneficiary

31 March 2023	Date on which funds are loaned to Intermediary	Amount of funds loaned	Date on which funds are further loaned or invested by Intermediaries to other Intermediaries or Ultimate Beneficiaries	Amount of fund further loaned or invested by such Intermediaries to other Intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
SAEL Limited	Multiple dates	1,680.63	21-Feb-23	372.46 327.61 325.98 323.57 317.04 11.97 1,680.63	ATA Power private Limited Sudarshadw Apt Energy Private Limited TNA Renewable Energy Private Limited Jastana Ganga Power Energy Private Limited VCA Power Private Limited Chalmanan Renewable Energy Private Limited

The Group has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), The Companies Act, 2013 and the Prevention of Money Laundering Act, 2002 (15 of 2003)



SAEL Industries Limited
CIN - U40106PB2022PLC055755

Notes to Special Purpose Consolidated Financial Statements for the period ended 31 March 2023
(All amounts in Rs. millions, unless otherwise stated)

52. (i) Additional regulatory disclosures

- The Group has not been declared a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulter issued by the Reserve Bank of India.
- The Group has not entered into any transaction which has not been recorded in the books of account, that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Group has not traded or invested in crypto currency or virtual currency during the period.
- The Group does not have any benami property and no proceedings have been initiated or pending against the group for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The entities in the Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Group has adopted cost model for its property, plant and equipment (including right-of-use assets). Hence, group has not revalued its property, plant and equipment during the current or previous periods.
- The Group has not entered into a scheme of arrangement. The accounting impact of the same is described in note 48 and the effect of such Scheme of Arrangement has been accounted for in the books of account of the Group in accordance with the Scheme and in accordance with accounting standards.

(ii) Capital Reorganization and Succession of HSA & Sons into Holding Company

During the year ended 31 March 2023, 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.

Accounting of succession of HSA & Sons into Holding Company

- The assets and liabilities pertaining to the HSA & Sons are recorded at their respective carrying values in Holding Company as appearing in the books of the HSA & Sons.
- The Company issued 46,122,097 equity shares of Rs 10 each at a premium of Rs 140 to the partners of HSA & Sons against shares held by them in the SAEL Limited.

(iii) The share capital account and securities premium has been credited with the aggregate face value of the shares issued to the shareholder pursuant to the Capital Re organisation and the difference has been accounted in Capital Reserves.

Particulars	Amount
Consideration transferred	6,918.31
Carrying amount of identifiable net assets	6,817.00
Capital reserves	(101.31)

The reserves, adjusted for equity share capital and securities premium, have been recorded in the special purpose consolidated financial statements of the Holding Company in the same form in which they appeared in the financial statements of the SAEL Limited.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/NS00013

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

For and on behalf of the Board of Directors
SAEL Industries Limited

Tarun Gupta
Partner
Membership No. 098942
Place: New Delhi
Date: 14 October 2025

Gagan Deep Singhal
Partner
Membership No. 098947
Place: New Delhi
Date: 14 October 2025

Jaspreet Singh
Managing Director -
DIN- 01668231
Place: New Delhi
Date: 14 October 2025

Sukhbir Singh
Director
DIN- 01785240
Place: New Delhi
Date: 14 October 2025

Dishyant Kumar
Chief Financial Officer
PAN: APNPK8847H
Place: New Delhi
Date: 14 October 2025

Vishal Garg
Company Secretary
Membership No. F6867
Place: New Delhi
Date: 14 October 2025



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

Walker Chandiook & 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



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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;



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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;



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- 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

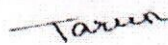


Gagan Deep Singhal
Partner
Membership no: 098947
UDIN: 23098947BGUNVS3713

Place: New Delhi
Date: 03 August 2023



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



Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023



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.



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



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.



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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.



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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

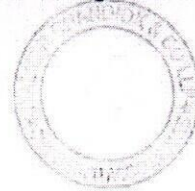


For Walker Chandlok & Co LLP
Chartered Accountants
Firm registration no:
001076N/N50013



Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023



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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



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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

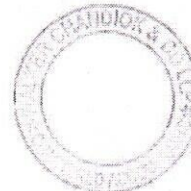


For Walker Chandlok & Co LLP
Chartered Accountants
FRN: 001076N/N50013



Tarun Gupta
Partner
Membership no: 507892
UDIN: 23507892BGXQXR1452

Place: New Delhi
Date: 03 August 2023



SAEL Industries Limited
CIN: U40106PB2022PLC055755
Standalone Balance Sheet as at 31 March 2023

Particulars	Notes	In Rs. million unless otherwise stated 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
		<u>7,135.40</u>
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		<u>5,431.74</u>
Total assets		<u><u>12,567.14</u></u>
Equity and liabilities		
Equity		
Equity share capital	12	461.29
Other equity	13	6,308.72
		<u>6,770.01</u>
Liabilities		
Non current liabilities		
Financial liabilities		
Other financial liabilities	14	3,318.80
Total non current liabilities		<u>3,318.80</u>
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		<u>2,478.33</u>
Total equity and liabilities		<u><u>12,567.14</u></u>
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 Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/NS00013

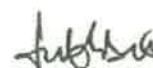


Tarun Gupta
Partner
Membership no. 507892

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



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

Particulars	Notes	In Rs. million unless otherwise stated	
		For the period from 25 April 2022 to 31 March 2023	
Revenue			
Other income			
Total revenue	19		9.21
Expenses			
Employee benefits expense			
Finance costs	20		7.21
Other expenses	21		13.61
Total expense	22		197.72
			218.54
Loss before tax			
			(209.33)
Tax expense			
Current tax			
Deferred tax			
Total tax expense	5		(60.96)
			(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			
Diluted loss per share	25		(4.35)
			(4.35)
Summary of significant accounting policies			
The accompanying notes are an integral part of the standalone financial statements	2		

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

Gagan Deep Singhal

Gagan Deep Singhal
Partner
Membership no. 098947

For Walker Chandlok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076VN500013

Tarun Gupta

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jasbir Singh

Jasbir Singh
Managing Director
DIN No- 01668231

Sukhbir Singh

Sukhbir Singh
Director
DIN No - 01785240

Dushyant Kumar

Dushyant Kumar
Chief Financial Officer

Vishal Garg

Vishal Garg
Company Secretary
Membership No. P6867

Place: New Delhi
Date: 03 August 2023



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

In Rs. million unless otherwise stated			
A Equity share capital			
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

In Rs. million unless otherwise stated			
B Other equity			
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
The accompanying notes are an integral part of the standalone financial statements

2

As per our report of even date

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

Gagan Deep Singhal

Gagan Deep Singhal
Partner
Membership no. 098947

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/NS00013

Tarun Gupta

Tarun Gupta
Partner
Membership no. 507892

For and on behalf of the Board of Directors

Jaibir Singh
Jaibir Singh
Managing Director
DIN No- 01668231

Dushyant Kumar
Dushyant Kumar
Chief Financial Officer

Sukhbir Singh
Sukhbir Singh
Director
DIN No - 01785240
Vishal Garg
Vishal Garg
Company Secretary
Membership No. P6867

Place: New Delhi
Date: 03 August 2023



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	(538.01)
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	434.84
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 Chandlok & Co LLP
Chartered Accountants
Firm's Registration no.: 001076N/N500013

Tarun Gupta
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For and on behalf of the Board of Directors

Jasbir Singh
Managing Director
DIN No- 01668231

Dushyant Kumar
Chief Financial Officer

Sukhbir Singh
Director
DIN No - 01785240

Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023



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 authorised 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.



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.



(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)

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 FVOCI 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 within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of 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 are 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.



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.

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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		1,033.05
16,066,550 preference shares of face value of Rs. 10 each#		
		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



SAEL Industries Limited
CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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%

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SAEL Industries Limited

CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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
Promoter	-
Directors	-
KMPs	-
Related parties	4,306.28
	Percentage to the total loans and advances in the nature of loans
	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

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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:

Particulars	In Rs. million unless otherwise stated	
	As at 31 March 2023	
	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

Particulars	As at 31 March 2023	
	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

Particulars	As at 31 March 2023	
	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

Particulars	As at 31 March 2023	
	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 allotted 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.



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 Renewable 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



SAEL Industries Limited
CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

In Rs. million unless otherwise stated	
Particulars	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.



SAEL Industries Limited
CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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 :

- IPO Conversion Date - 10 days prior to the filing of the final and updated DRHP with SEBI
- TPS Date- Date on which relevant definitive documents for a Third Party Sale are executed
- 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 million.



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	
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'):

- The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year
- 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
- 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.
- The amount of interest accrued and remaining unpaid at the end of each accounting year, and
- 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 extent 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					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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

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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 stationery 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		3.30
- auditors		3.30

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SAEL Industries Limited
CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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:-

1. 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



SAEL Industries Limited
CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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.



SAEL Industries Limited

CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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 Kaital 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 Stoen (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

CIN: U40106PB2022PLC055755

Notes to Standalone Financial Statements for the period from 25 April 2022 to 31 March 2023

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)

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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 Renewable 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 Renewable 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



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		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	-	3,318.80
Total liabilities from financial activities	-	5,704.11	-	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	17 February 2023	1,680.63
Registered Address: Fridtjof Nansens plass 4. N-0160 Oslo, Norway		
		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	18 February 2023	48.50
Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022		
	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	21 February 2023	372.46
Registered Address: 32, Shivji Marg Westend Greens, Rangpuri South West, Delhi - 110037		
Sardarshahar Agri Energy Private Limited	21 February 2023	327.61
Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022		
TNA Renewable Energy Private Limited	21 February 2023	325.98
Registered Address: 32, Shivji Marg Westend Greens, Rangpuri South West, Delhi - 110037		
Jasrasar Green Power Energy Private Limited	21 February 2023	323.57
Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022		
VCA Power Private Limited	21 February 2023	317.04
Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022		
Chattargah Renewable Energy Private Limited	21 February 2023	13.97
Registered Address: Faridkot Road Guruharsahai Distt Ferozepur Guruharsahai Punjab - 152022		
		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)



28 Additional regulatory disclosures

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

Ratio	Numerator	Denominator	31 March 2023
Current Ratio	Total current assets	Total current liabilities	2.19
Debt Equity Ratio	Debt consist of borrowings and lease liabilities	Total equity	0.38
Debt Service Coverage Ratio	Earning for debt service = net profit after taxes + non-cash operating expenses + interest + other non-cash adjustments	Debt 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 finance cost	Capital employed = Total assets - current liabilities	2.27%
Return on Investment (%)	Income generated from invested funds	Average invested funds (i.e. 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 licences in the period

##Return on investment is not applicable to the Company as an investment is held by the Company

- The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- 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.
- The Company has not entered into any transaction which has not been recorded in the books of account, this has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in crypto currency or virtual currency during the period.
- The Company does not have any Benami property and further, no proceedings have been initiated or are pending against the Company, in this regard.
- 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.

- 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 statement 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.: 017642N

Gagan Deep Singhal

Gagan Deep Singhal
Partner
Membership no. 094747

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/M500013

Tarun

Tarun Gupta
Partner
Membership no. 307892

For and on behalf of the Board of Directors

Justice Singh

Justice Singh
Managing Director
DIN No. 01468231

Buddhir Singh

Buddhir Singh
Director
DIN No. - 01785240

Dushyant Kumar
Dushyant Kumar
Chief Financial Officer

Vishal Garg
Vishal Garg
Company Secretary
Membership No. F6867

Place: New Delhi
Date: 03 August 2023

