

**Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013  
21st Floor, DLF Square,  
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**D H A N A & Associates**  
Chartered Accountants  
Firm Registration No: 510525C  
South Extension Plaza 2, 407-408  
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## **Independent Auditor's Report**

**To the Members of Aarohi Solar Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the accompanying financial statements of Aarohi Solar Private 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 year then ended, and notes to the 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 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 year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

#### **Emphasis of Matter – Litigation**

4. We draw attention to Note 32 to the accompanying financial statements, related to the recoverability of dues aggregating to Rs. 250.96 million as at 31 March 2023 from Southern Power Distribution Company of Andhra Pradesh Limited, in relation to the alleged excess installed DC capacity matter that is currently under dispute and pending before the Andhra Pradesh Electricity Regulatory Commission for resolution. Based on internal assessment and legal opinion obtained, the management believes that the aforesaid dues are fully recoverable and accordingly, no adjustment is required in the accompanying financial statements. Our opinion is not modified in respect of this matter.

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

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

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



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

### **Responsibilities of Management and Those Charge with Governance for the Financial Statements**

6. The accompanying 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes 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.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

9. 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.
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 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 Board of Directors' 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.
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.

### Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. 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.
14. 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 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) The matter described in paragraph 4 under the Emphasis of matter, in our opinion, may have an adverse effect on the functioning of the company;
  - f) 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;
  - g) 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
  - h) 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, as detailed in note 32 to the financial statements, has disclosed the impact of pending litigation on 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 year ended 31 March 2023;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(H) to the 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(s) or entity(ies), 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;
- b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 34 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 causes 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 year 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 **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Deepak Mittal*

**Deepak Mittal**  
Partner  
Membership No.:503843  
UDIN: 23503843BGUTCM8826

**Place:** Gurugram  
**Date:** 9 June 2023



For **D H A N A & Associates**  
Chartered Accountants  
Firm Registration No.: 510525C

*Arun Khandelia*

**Arun Khandelia**  
Partner  
Membership No.: 089125  
UDIN: 23089125BGWUNO6229

**Place:** New Delhi  
**Date:** 9 June 2023



**Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year 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) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the company. For title deeds of immovable properties in the nature of land with gross carrying values of Rs.19.22 million as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(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) As disclosed in note 36(l) to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore, by banks or financial institutions on the basis of security of current assets during the year. Pursuant to the terms of the sanction letters, the Company is not required to file any quarterly return or statement with such banks or financial institutions.

(iii) (a) The Company has provided loans and guarantees to others during the year as per details given below.

Particulars	Loans (Rs. In million)	Guarantees (Rs. In million)
Aggregate amount provided during the year		
- Others	630.29	8,927.40
Balance outstanding as at balance sheet date in respect of above:		
- Others	630.29	8,612.75*

\*represents co-guarantees given by the Company along with fellow subsidiaries, as disclosed in note 27 to the accompanying financial statements



**Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year ended 31 March 2023**

- (b) In our opinion, and according to the information and explanations given to us, the guarantees provided and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans amounting to Rs. 630.29 million granted by the Company as disclosed in Note 11 to the accompanying financial statements, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest amount is not due for payment currently. Further, in respect of loan amounting to Rs. 376.73 million granted by the Company as disclosed in Note 11 to the accompanying financial statements, the schedule of repayment of principal has not been stipulated and accordingly, we are unable to comment as to whether the repayment of principal is regular. Further, no interest is receivable on such loan.
- (d) There is no overdue amount in respect of loans amounting to Rs. 630.29 million granted to such companies as disclosed in Note 11 to the accompanying financial statements. Further, in the absence of stipulated schedule of repayment of principal in respect of loan amounting to Rs. 376.73 million as disclosed in Note 11 to the accompanying financial statements, 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. Further, no interest is receivable on such loan.
- (e) In respect of loan amounting to Rs. 376.73 million granted by the Company as disclosed in Note 11 to the accompanying financial statements, the schedule of repayment of principal has not been stipulated. No interest is receivable on such loan. According to the information and explanation given to us, such loans have not been demanded for repayment as on date. Further, the Company has not granted any loan or advance in the nature of loan which has fallen due during the year.
- (f) The Company has granted loans which are repayable on demand, as per details below.

(Rs. in million)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	376.73	-	376.73
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	376.73	-	376.73
Percentage of loans/advances in nature of loan to the total loans	37.41%	-	37.41%

- (iv) The Company has not entered into any transaction covered under 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 investments, 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 deemed to be 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.



**Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year ended 31 March 2023**

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing 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, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-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 to in subclause (a) above that 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 year 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.
- (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 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, money raised by way of term loans were applied for the purposes for which these were obtained.
- (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, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (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.



**Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year ended 31 March 2023**

- (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 year.
- (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.
- (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 sections 188 of the Act. Further, the details of such related party transactions have been disclosed in the 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)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to 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 are 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 not incurred any cash losses in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. 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 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





**Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year ended 31 March 2023**

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 accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order 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 **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Deepak Mittal**  
Partner  
Membership No.: 503843  
UDIN: 23503843BGUTCM8826

**Place:** Gurugram  
**Date:** 9 June 2023



For **D H A N A & Associates**  
Chartered Accountants  
Firm Registration No.: 510525C



**Arun Khandelua**  
Partner  
Membership No.: 089125  
UDIN: 23089125BGWUNO6229

**Place:** New Delhi  
**Date:** 9 June 2023

**Annexure B to the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year 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 financial statements of Aarohi Solar Private Limited ('the Company') as at and for the year 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 the internal financial controls with reference to financial statements criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 with authorisations of management and directors of the company; and (3)



**Annexure B to the Independent Auditor's Report of even date to the members of Aarohi Solar Private Limited on the financial statements for the year ended 31 March 2023**

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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Deepak Mittal**  
Partner  
Membership No.: 503843  
UDIN: 23503843BGUTCM8826

**Place:** Gurugram  
**Date:** 9 June 2023



For **D H A N A & Associates**  
Chartered Accountants  
Firm Registration No.: 501525C

**Arun Khandelia**  
Partner  
Membership No.: 089125  
UDIN: 23089125BGWUNO6229



**Place:** New Delhi  
**Date:** 9 June 2023

**Aarohi Solar Private Limited**  
**CIN-U32109HR2008PTC038030**  
**Balance Sheet as at 31 March 2023**

In Rs. million unless otherwise stated

Particulars	Notes	As at	
		31 March 2023	31 March 2022
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	2,357.41	2,587.13
Right-of-use assets	4	53.76	56.14
<b>Financial assets</b>			
Other financial assets	5	5.57	4.74
Deferred tax assets (net)	6	112.52	94.01
Non current tax assets (net)	7	0.93	0.62
<b>Total non current assets</b>		<b>2,530.19</b>	<b>2,742.64</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	971.79	1,501.54
Cash and cash equivalents	9	211.81	33.30
Other bank balances	10	8.30	8.81
Loans	11	1,007.21	376.85
Other financial assets	12	1.16	1.16
Other current assets	13	0.43	0.70
<b>Total current assets</b>		<b>2,200.70</b>	<b>1,922.36</b>
<b>Total assets</b>		<b>4,730.89</b>	<b>4,665.00</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	20.17	20.17
Other equity	15	51.24	148.58
		<b>71.41</b>	<b>168.75</b>
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Long term borrowings	16	3,758.17	3,570.20
Lease liabilities	4	4.12	4.02
<b>Total non current liabilities</b>		<b>3,762.29</b>	<b>3,574.22</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short term borrowings	17	593.59	598.33
Lease liabilities	4	0.35	0.32
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	0.02	0.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.18	14.44
Other financial liabilities	19	293.61	301.31
Other current liabilities	20	9.44	7.46
<b>Total current liabilities</b>		<b>897.19</b>	<b>922.03</b>
<b>Total equity and liabilities</b>		<b>4,730.89</b>	<b>4,665.00</b>

Summary of significant accounting policies and other explanatory information are integral part of financial statements.

1-40

As per our report of even date attached

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

*Deepak Mittal*

**Deepak Mittal**  
Partner  
Membership No. 503843

**Place:** Gurugram  
**Date:** 09 June 2023



For **D H A N A & Associates**  
Chartered Accountants  
Firm Registration No.: 510525C

*Arun Khandelia*

**Arun Khandelia**  
Partner  
Membership No. 089125

**Place:** New Delhi  
**Date:** 09 June 2023



For and on behalf of the Board of Directors

*Veer Pratap*

**Veer Pratap**  
Director  
DIN No. 06887340

**Place:** Gurugram  
**Date:** 09 June 2023



*Parveen Tyagi*

**Parveen Tyagi**  
Director  
DIN No. 07433691

**Place:** Gurugram  
**Date:** 09 June 2023

Aarohi Solar Private Limited  
CIN-U32109HR2008PTC038030  
Statement of profit and loss for the year ended 31 March 2023

Particulars	Notes	In Rs. million unless otherwise stated	
		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue</b>			
Revenue from operations	21	607.89	577.97
Other income	22	7.23	5.50
<b>Total revenue</b>		<b>615.12</b>	<b>583.47</b>
<b>Expenses</b>			
Finance costs	23	464.80	414.41
Depreciation and amortisation expenses	24	232.10	232.08
Other expenses	25	34.92	28.20
<b>Total expense</b>		<b>731.82</b>	<b>674.69</b>
<b>Loss before tax</b>		<b>(116.70)</b>	<b>(91.22)</b>
<b>Tax expense</b>	6		
Income tax adjustment relating to earlier year		(0.85)	-
Deferred tax (credit)/ expense		(18.51)	18.46
<b>Total tax (credit)/ expense</b>		<b>(19.36)</b>	<b>18.46</b>
<b>Loss for the year</b>		<b>(97.34)</b>	<b>(109.68)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss</b>		<b>(97.34)</b>	<b>(109.68)</b>
<b>Earnings/ (loss) per share</b>	29		
Basic loss per share (in Rs.)		(48.26)	(54.38)
Diluted loss per share (in Rs.)		(48.26)	(54.38)

Summary of significant accounting policies and other explanatory information are integral part of financial statements. 1-40  
As per our report of even date attached

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

*Deepak Mittal*

Deepak Mittal  
Partner  
Membership No. 503843

Place: Gurugram  
Date: 09 June 2023



For DHANA & Associates  
Chartered Accountants  
Firm Registration No.: 510525C

*Arun Khandelia*

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Membership No. 089125

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DIN No. 06887340

Place: Gurugram  
Date: 09 June 2023



*Parveen Tyagi*

Parveen Tyagi  
Director  
DIN No. 07433691

Place: Gurugram  
Date: 09 June 2023

Aarohi Solar Private Limited  
CIN-U32109HR2008PTC038030  
Statement of Cash Flows for the year ended 31 March 2023

Particulars	In Rs. million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(116.70)	(91.22)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	232.10	232.08
Finance costs	464.80	414.41
Interest income	(7.11)	(3.61)
Excess provision written back	(0.12)	-
Net foreign exchange expense	4.85	0.10
<b>Operating profit before working capital changes</b>	<b>577.82</b>	<b>551.76</b>
<b>Movement in working capital</b>		
Decrease/ (increase) in trade receivables	529.75	(389.42)
Decrease in other current and non current financial assets	-	4.14
Decrease in other current and non current assets	0.27	4.26
(Decrease)/ increase in trade payables	(14.41)	8.35
(Decrease)/ increase in other current and non current financial liabilities	(51.57)	5.66
Increase in other current and non current liabilities	1.98	2.73
<b>Cash flows generated from operating activities post working capital changes</b>	<b>1,043.84</b>	<b>187.48</b>
Income tax refund received (net)	0.46	0.49
<b>Net cash flows generated from operating activities (A)</b>	<b>1,044.30</b>	<b>187.97</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	3.64	6.71
Fixed deposits matured during the year	0.55	34.81
Loans given to related parties (net)	(627.68)	(9.03)
<b>Net cash flows (used in)/ from investing activities (B)</b>	<b>(623.49)</b>	<b>32.49</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES*</b>		
Proceeds from long term borrowings	904.33	-
Repayment of long term borrowings	(700.93)	(91.46)
Repayment of short term borrowings (net)	(51.76)	128.05
Payment of lease liabilities	(0.32)	(0.31)
Finance costs paid	(393.62)	(360.52)
<b>Net cash flows used in financing activities (C)</b>	<b>(242.30)</b>	<b>(324.24)</b>
Increase/ (decrease) in cash and cash equivalents (A+B+C)	178.51	(103.78)
Cash and cash equivalents at the beginning of the year	33.30	137.08
Cash and cash equivalents at the end of the year	211.81	33.30

\*refer note 33 for reconciliation of liabilities from financing activities

Summary of significant accounting policies and other explanatory information are integral part of financial statements. 1-40

As per our report of even date attached

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



Deepak Mittal  
Partner  
Membership No. 503843

Place: Gurugram  
Date: 09 June 2023



For DHANA & Associates  
Chartered Accountants  
Firm Registration No.: 510525C

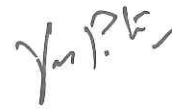


Arun Khandelia  
Partner  
Membership No. 089125

Place: New Delhi  
Date: 09 June 2023



For and on behalf of the Board of Directors



Veer Pratap  
Director  
DIN No. 06887340

Place: Gurugram  
Date: 09 June 2023





Parveen Tyagi  
Director  
DIN No. 07433691

Place: Gurugram  
Date: 09 June 2023

Aarohi Solar Private Limited  
CIN-U32109HR2008PTC038030

Statement of changes in equity for the year ended 31 March 2023

**A Equity share capital**

In Rs. million unless otherwise stated

Particulars	Balance as at 1 April 2021	Issued during the year	Balance as at 31 March 2022	Issued during the year	Balance as at 31 March 2023
Equity share capital	20.17	-	20.17	-	20.17

**B Other equity**

In Rs. million unless otherwise stated

Particulars	Reserve and surplus			Total
	Securities premium	Equity component of compound financial instruments	Retained earnings	
Balance as at 1 April 2021	547.93	48.60	(338.27)	258.26
Loss for the year	-	-	(109.68)	(109.68)
Balance as at 31 March 2022	547.93	48.60	(447.95)	148.58
Loss for the year	-	-	(97.34)	(97.34)
Balance as at 31 March 2023	547.93	48.60	(545.29)	51.24

Summary of significant accounting policies and other explanatory information are integral part of financial statements.

1-40

As per our report of even date attached

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



Deepak Mittal  
Partner  
Membership No. 503843

Place: Gurugram  
Date: 09 June 2023



For D H A N A & Associates  
Chartered Accountants  
Firm Registration No.: 510525C



Arun Khandelia  
Partner  
Membership No. 089125

Place: New Delhi  
Date: 09 June 2023



For and on behalf of the Board of Directors



Veer Pratap  
Director  
DIN No. 06887340

Place: Gurugram  
Date: 09 June 2023




Parveen Tyagi  
Director  
DIN No. 07433691

Place: Gurugram  
Date: 09 June 2023

**1. i) Corporate information**

Aarohi Solar Private Limited ("the company") was incorporated on 18 January, 2014 under Companies Act, 2013. The entity is 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, manufacturing, 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 Company owns and operates solar power project with installed capacity of 50 MW in the state of Andhra Pradesh. The project is intended to sell the power generated, under long term Power Purchase Agreement with Southern Power Distribution Company, Andhra Pradesh.

The Company does not have any employees on the payroll, for which Company has entered into an agreement for operation and maintenance of the project including administrative and financial reporting services.

The financial statement have been authorised for issue by the Board of Directors on 09 June 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 specify 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 is essentially a clarification and 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 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. Effective 1 April 2016, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. 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 except when otherwise indicated.

**Historical cost convention**

The financial statements have been prepared on a historical cost convention on a going concern basis except for certain financial assets and financial liabilities which are measured at fair value.

**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**

**Functional and presentation currency**

Foreign currency transactions are translated into the functional currency of the respective company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign currency loans availed for acquisition of property, plant and equipment are converted at the rate prevailing on the due date for instalments repayable during the year and at the rate prevailing on the date of balance sheet for the outstanding loan.





#### **2.04 Current versus non-current classification**

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption, in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified 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.

#### **2.05 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.

##### **Sale of power**

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

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

##### **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 Company 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 Statement of Profit and Loss.

#### **2.06 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.

#### **2.07 Property, plant and equipment**

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

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

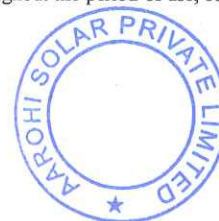
Depreciation is recognised based on the cost of assets (other than freehold land) using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 except in case of power plant assets, where the depreciation is charged on the basis of the relevant tariff regulations based on technical assessment, taking into account the nature of assets, the estimated usage of the assets, the operating condition of the assets, anticipated technical changes, manufacturer warranties and maintenance support. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **2.08 Leased assets and right of use**

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract



- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has presented the right-of-use assets and lease liabilities on the face of statement of financial position.

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### **2.09 Impairment of non-financial assets**

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

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The date used for impairment testing procedures are directly linked to the 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 years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

#### **2.10 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 or 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 four 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 liabilities**

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

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

A 'Financial asset' 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 or loss. The losses arising from impairment are recognised in the profit or loss. 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.

**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.

**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.

**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 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, derivatives and equity instruments at 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.

**2.11 Income taxes**

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

**Current tax**

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



#### Deferred tax

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

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

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

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

#### 2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

#### 2.13 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Any reimbursement that the 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.

#### 2.14 Significant management judgement in applying accounting policies and estimation uncertainty

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.

##### Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

##### Impairment of non-financial assets

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

##### Useful lives of depreciable assets

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### Fair value measurement

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements 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.

#### 2.15 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.



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**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**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 amendments to the aforementioned accounting standards on its financial statements.

*(This space has been intentionally left blank)*



**3 Property, plant and equipment**

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

Particulars	In Rs. million unless otherwise stated		
	Freehold Land <sup>^</sup>	Plant and equipment	Total
<b>Gross block</b>			
Balance as at 1 April 2021	19.22	3,940.05	3,959.27
Addition during the year	-	-	-
Balance as at 31 March 2022	19.22	3,940.05	3,959.27
Addition during the year	-	-	-
Balance as at 31 March 2023	19.22	3,940.05	3,959.27
<b>Accumulated depreciation</b>			
Balance as at 1 April 2021	-	1,142.43	1,142.43
Depreciation charge for the year	-	229.71	229.71
Balance as at 31 March 2022	-	1,372.14	1,372.14
Depreciation charge for the year	-	229.72	229.72
Balance as at 31 March 2023	-	1,601.86	1,601.86
<b>Net block</b>			
Balance as at 31 March 2022	19.22	2,567.91	2,587.13
Balance as at 31 March 2023	19.22	2,338.19	2,357.41

Note :

(i) refer note 30 for details of assets pledged

<sup>^</sup>The title deeds of all the freehold land are in the name of the Company and are pledged with the lender.

**4 Right of use assets and lease liabilities**

Set out below are the carrying amounts of right of use assets and lease liabilities and the movements during the year:

Particulars	In Rs. million unless otherwise stated	
	Amount	
<b>(a) Right-of-use assets</b>		
<b>Cost</b>		
Balance as on 1 April 2021		63.26
Add: Additions during the year		-
Balance as at 31 March 2022		63.26
Add: Additions during the year		-
Balance as at 31 March 2023		63.26
<b>Accumulated amortization</b>		
Balance as on 1 April 2021		4.75
Amortization for the year		2.37
Balance as at 31 March 2022		7.12
Amortization for the year		2.38
Balance as at 31 March 2023		9.50
<b>Net carrying amount</b>		
Balance as at 31 March 2022		56.14
Balance as at 31 March 2023		53.76

Particulars	In Rs. million unless otherwise stated	
	As at	As at
	31 March 2023	31 March 2022
<b>(b) Lease liabilities</b>		
Opening balance	4.34	4.21
Add: Interest on lease liabilities	0.45	0.44
Less: Lease liabilities paid	(0.32)	(0.31)
<b>Closing balance</b>	4.47	4.34
<b>Current</b>	0.35	0.32
<b>Non-current</b>	4.12	4.02

(i) Total cash outflow for leases for the year ended 31 March 2023 was Rs. 0.32 million (31 March 2022: Rs. 0.31 million).

(ii) Also, refer note 35

(iii) **Variable lease payments**

The Company does not have any leases with variable lease payments.

(iv) **Residual value guarantees**

There are no residual value guaranteed in the lease contracts.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Particulars	In Rs. million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
<b>5 Other financial assets - non current</b>		
Security deposits	5.57	4.74
	<u>5.57</u>	<u>4.74</u>
<b>6 Deferred tax assets (net)</b>		
Deferred tax assets arising on:		
Unabsorbed depreciation	710.17	713.38
Lease liabilities	16.05	16.02
Others	-	26.40
Deferred tax liabilities arising on:		
Property, plant and equipment (including right-of-use assets)	(596.84)	(644.78)
Compound financial instruments	(16.86)	(17.01)
Deferred tax assets (net)	<u>112.52</u>	<u>94.01</u>

Particulars (2022-23)	In Rs. million unless otherwise stated			
	As at 31 March 2022	(Expense)/ credit recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
<b>Assets</b>				
Unabsorbed depreciation	713.38	(3.21)	-	710.17
Lease liabilities	16.02	0.03	-	16.05
Others	26.40	(26.40)	-	-
<b>Liabilities</b>				
Property, plant and equipment (including right-of-use assets)	(644.78)	47.94	-	(596.84)
Compound financial instruments	(17.01)	0.15	-	(16.86)
<b>Total</b>	<b>94.01</b>	<b>18.51</b>	<b>-</b>	<b>112.52</b>

Particulars (2021-22)	In Rs. million unless otherwise stated			
	As at 01 April 2021	(Expense)/ credit recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
<b>Assets</b>				
Unabsorbed depreciation	893.94	(180.56)	-	713.38
Minimum alternate tax	25.24	(25.24)	-	-
Lease liabilities	18.49	(2.47)	-	16.02
Others	-	26.40	-	26.40
<b>Liabilities</b>				
Property, plant and equipment (including right-of-use assets)	(805.36)	160.58	-	(644.78)
Compound financial instruments	(19.84)	2.83	-	(17.01)
<b>Total</b>	<b>112.47</b>	<b>(18.46)</b>	<b>-</b>	<b>94.01</b>

Particulars	In Rs. million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss before tax	(116.70)	(91.22)
Applicable tax rate*	25.17%	25.17%
Expected tax credit [A]	(29.37)	(22.96)
Expenses not allowable	11.74	4.30
Minimum alternate tax credit expensed off	-	25.24
Impact for changes in tax rates	-	11.84
Income tax adjustment relating to earlier year	(0.85)	-
Others	(0.88)	0.04
<b>Total adjustments [B]</b>	<b>10.01</b>	<b>41.42</b>
<b>Actual tax (benefit)/ expense [C=A+B]</b>	<b>(19.36)</b>	<b>18.46</b>
Total tax incidence	(19.36)	18.46
<b>Tax (benefit)/ expense recognized in statement of profit and loss [D]</b>	<b>(19.36)</b>	<b>18.46</b>

\*The Company had exercised the option under section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Act, 2019, while filing return of income for the financial year ended 31 March 2021. Consequently, effective from previous year, the Company had applied the lower income tax rates on the deferred tax assets/ liabilities to the extent these are expected to be realized or settled in the future period under the new regime.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Particulars	In Rs. million unless otherwise stated	
	As at	As at
	31 March 2023	31 March 2022
<b>7 Non current tax asset</b>		
Advance tax (net of provision)	0.93	0.62
	<b>0.93</b>	<b>0.62</b>
<b>8 Trade receivables</b>		
Unsecured, considered good	971.79	1,501.54
	<b>971.79</b>	<b>1,501.54</b>

\*Also, refer note 32

Trade receivables ageing schedule as at 31 March 2023 and 31 March 2022

31 March 2023	Outstanding for following periods from the due date of payment							Total
	Unbilled revenue	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
	Undisputed trade receivables							
Considered good*	62.33	51.22	51.78	191.85	363.19	0.46	-	720.83
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good*	-	7.76	38.50	41.62	76.67	77.27	9.14	250.96
Credit impaired	-	-	-	-	-	-	-	-
<b>Total trade receivable</b>	<b>62.33</b>	<b>58.98</b>	<b>90.28</b>	<b>233.47</b>	<b>439.86</b>	<b>77.73</b>	<b>9.14</b>	<b>971.79</b>

31 March 2022	Outstanding for following periods from the due date of payment							Total
	Unbilled revenue	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
	Undisputed trade receivables							
Considered good*	58.33	55.70	264.15	227.72	391.11	297.46	207.07	1,501.54
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
<b>Total trade receivable</b>	<b>58.33</b>	<b>55.70</b>	<b>264.15</b>	<b>227.72</b>	<b>391.11</b>	<b>297.46</b>	<b>207.07</b>	<b>1,501.54</b>

**9 Cash and cash equivalents**

Balances with bank - current accounts	46.07	13.30
Deposits with original maturity of less than three months*	165.74	20.00
	<b>211.81</b>	<b>33.30</b>

\*Fixed deposits of Rs. 165.74 million (31 March 2022: Rs. nil) are pledged with banks on account of Debt Service Reserve Account (DSRA) but are accessible by the Company as per terms of lender.

**10 Other bank balances**

Fixed deposits with remaining maturity more than 3 months and less than 12 months*	8.30	8.81
	<b>8.30</b>	<b>8.81</b>

\*Fixed deposits of Rs. 8.30 million (31 March 2022: Rs. 7.76) is pledged with banks on account of Debt Service Reserve Account (DSRA)

**11 Loans**

**Loans to related parties**

Considered good- unsecured (refer note 27)*	1,007.21	376.85
	<b>1,007.21</b>	<b>376.85</b>

\*Loan to related parties includes loan of Rs. 636.71 million (31 March 2022: Rs. 9.03 million) are repayable within 12 months and chargeable to interest @ 9.50% p.a. (31 March 2022: 9.50% p.a) and interest accrued amounting to Rs. 2.80 million (31 March 2022: Rs. 0.12 million). Loan of Rs. 367.70 million (31 March 2022: Rs. 367.70 million) is interest free and recoverable on demand.





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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

**Note:**

Loans or advances in the nature of loans are 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 repayable on demand.

**31 March 2023**

Type of Borrower	In Rs. million unless otherwise stated	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	367.70	36.61%

**31 March 2022**

Type of Borrower	In Rs. million unless otherwise stated	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	376.85	100.00%

Particulars	In Rs. million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
<b>12 Other financial assets - current</b>		
Receivable from related party (refer note 27)	0.24	0.24
Security deposits	0.92	0.92
	<u>1.16</u>	<u>1.16</u>
<b>13 Other current assets</b>		
Advance to vendors	0.28	0.55
Prepaid expenses	0.15	0.15
	<u>0.43</u>	<u>0.70</u>

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14 Equity share capital

Particulars	In Rs. million unless otherwise stated			
	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised	10,000,000	100.00	10,000,000	100.00
Issued and subscribed and fully paid up	2,017,066	20.17	2,017,066	20.17
<b>Total</b>	<b>2,017,066</b>	<b>20.17</b>	<b>2,017,066</b>	<b>20.17</b>

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

Particulars	In Rs. million unless otherwise stated			
	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	2,017,066	20.17	2,017,066	20.17
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,017,066	20.17	2,017,066	20.17

2. Shares held by holding Company

Particulars	In Rs. million unless otherwise stated			
	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Acme Solar Holdings Private Limited*	2,017,066	20.17	2,017,066	20.17

\*including shares held by nominee shareholder

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
	Acme Solar Holdings Private Limited	2,017,066	100%	2,017,066

4. Shareholding of promoter

Shareholding of promoter is as follows:

Promoter Name	Shares held by promoter				% Change during the year
	As at 31 March 2023		As at 31 March 2022		
	Number of shares	% Holding	Number of shares	% Holding	
Acme Solar Holdings Private Limited	2,017,066	100%	2,017,066	100%	0%

5. Terms/rights attached to equity shares

The 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. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares 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 shareholder.

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

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Particulars	In Rs. million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
<b>15 Other equity</b>		
<b>Securities premium</b>		
Opening balance	547.93	547.93
Issued capital during the year	-	-
<b>Balances at the end of the year</b>	<b>547.93</b>	<b>547.93</b>
<b>Equity component of compound financial instrument</b>		
Opening balance	48.60	48.60
Additions during the year	-	-
<b>Balances at the end of the year</b>	<b>48.60</b>	<b>48.60</b>
<b>Retained earnings</b>		
Opening balance	(447.95)	(338.27)
Net loss during the year	(97.34)	(109.68)
<b>Balances at the end of the year</b>	<b>(545.29)</b>	<b>(447.95)</b>
<b>Total other equity</b>	<b>51.24</b>	<b>148.58</b>

**Securities premium**

Securities premium represents premium received on issue of shares. The reserve is 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.

**Equity component of 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.

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Particulars	In Rs. million unless otherwise stated	
	As at	As at
	31 March 2023	31 March 2022
<b>16 Long term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
<b>From other parties <sup>#^</sup></b>		
Foreign currency loan	-	539.07
Financial institution	3,281.16	2,554.72
<b>Unsecured</b>		
Compulsorily convertible debenture <sup>*</sup>	477.01	476.41
	<u>3,758.17</u>	<u>3,570.20</u>

<sup>#</sup>Net of ancillary cost of Rs. 16.89 million (31 March 2022 : Rs. 32.04 million), nil (31 March 2022 : Rs. 4.77 million) for loan from financial institution and foreign currency loan respectively.

<sup>^</sup>Refer note 28

**\*Terms and conditions of conversion of compulsorily convertible debentures**

During earlier years, the Company had issued 1,922,261 compulsorily convertible debentures of Rs. 283 each to ACME Solar Holdings Private Limited.

The terms of these CCD as follows:

1. The interest rate of CCD shall be minimum 1% less than lead lender's interest rate at all times
2. CCDs may be converted into equity share at any time after the expiry of twenty nine years from the date of allotment at the option of both the CCD holders and the Company. In case no option is exercised by the CCD holder and the Company, then CCD shall be compulsorily converted on the last day of expiry of thirty years from the date of allotment. These CCD shall be mandatorily converted into as many number of equity share as arrived at by dividing the CCD investment amount as on the date of conversion, by fair value of equity share as on the date of conversion.
3. Interest payment on the CCD shall start from commissioning date of the project or 1 April 2017 whichever is later.

Accordingly, Company had separated the liability and equity component of the CCD, and had accordingly recognized financial liability and portion of equity amounting to Rs. 48.60 million (net of tax).

**17 Short term borrowings**

**Secured**

Term loan from financial institution <sup>^</sup>	401.76	-
Working capital loans <sup>*</sup>	-	306.09
Current maturities of long term borrowing <sup>#^</sup>		
Foreign currency loan	-	34.05
Financial institution	175.54	94.47

**Unsecured**

Loan from related parties <sup>**</sup>	16.29	163.72
	<u>593.59</u>	<u>598.33</u>

<sup>\*</sup> These were secured against first pari passu charge on all the movable assets including plant and equipment, spares etc. and intangible assets.

<sup>#</sup>Net of ancillary cost of Rs. 2.54 million (31 March 2022 : Rs. 4.06 million), nil (31 March 2022 : Rs. 0.97 million) in case of loan from financial institution and foreign currency loan respectively.

<sup>\*\*</sup> These are interest free loan and repayable on demand (refer note 27).

<sup>^</sup>Refer note 28

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Particulars	In Rs. million unless otherwise stated	
	As at	As at
	31 March 2023	31 March 2022
<b>18 Trade payables</b>		
Due to micro enterprises and small enterprises (refer note a below)	0.02	0.17
Due to others	0.18	14.44
	<u>0.20</u>	<u>14.61</u>
Note:-		
a Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006'):	-	-
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.02	0.17
ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payments made to the supplier beyond the appointed day during accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	<u>0.02</u>	<u>0.17</u>

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 and 31 March 2022

31 March 2023	In Rs. million unless otherwise stated					Total
	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME*	-	0.02	-	-	-	0.02
Undisputed dues - Others	0.18	-	-	-	-	0.18
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables</b>	<b>0.18</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.20</b>

31 March 2022	In Rs. million unless otherwise stated					Total
	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME*	-	0.17	-	-	-	0.17
Undisputed dues - Others	-	14.23	0.21	-	-	14.44
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables</b>	<b>-</b>	<b>14.40</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>14.61</b>

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

**19 Other financial liabilities - current**

Interest accrued on compulsorily convertible debenture (refer note 27)	289.55	241.84
Derivative financial liabilities	-	3.72
Payable to related parties (refer note 27)	0.08	53.44
Others payable	3.98	2.31
	<u>293.61</u>	<u>301.31</u>

**20 Other current liabilities**

Statutory dues	9.44	7.46
	<u>9.44</u>	<u>7.46</u>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Particulars	In Rs. million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>21 Revenue from operations</b>		
Sale of electricity	607.89	577.97
	<u>607.89</u>	<u>577.97</u>
<b>22 Other income</b>		
Interest income		
Bank deposits	3.49	3.00
Loans, advances etc	2.98	0.14
Others	0.64	0.61
Insurance claim received	-	1.72
Excess provisions written back	0.12	-
Miscellaneous income	-	0.03
	<u>7.23</u>	<u>5.50</u>

**Revenue from contracts with customers**

**a) Disaggregation of revenue**

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

Particulars	In Rs. million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Based on nature of goods/services		
Sale of electricity	607.89	577.97
<b>Total revenue</b>	<u>607.89</u>	<u>577.97</u>

**b) Contract balances**

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

Particulars	In Rs. million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
<b>Receivables</b>		
Trade receivables	909.46	1,443.21
Unbilled revenue for passage of time	62.33	58.33
Less : Loss allowance	-	-
<b>Total receivables (a)</b>	<u>971.79</u>	<u>1,501.54</u>
<b>Contract assets</b>		
Unbilled revenue other than passage of time	-	-
<b>Total contract assets (b)</b>	<u>-</u>	<u>-</u>
<b>Contract liabilities</b>		
Advance from customer	-	-
<b>Total contract liabilities (c)</b>	<u>-</u>	<u>-</u>
<b>Total (a+b-c)</b>	<u>971.79</u>	<u>1,501.54</u>

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 i.e. only the passage of time is required before payment of consideration is due and the amount is billable. Contract liabilities are recognized as revenue as and when the performance obligation is satisfied.

There are no contract assets and the contract liabilities during the current year (31 March 2022: nil), therefore disclosure regarding significant changes in contract assets and contract liabilities have not been furnished.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

c) Performance obligation

The Company's performance obligation is satisfied over time when the units of electricity are delivered as per the terms of the agreement with the customer.

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

Particulars	In Rs million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contract	616.58	584.21
Adjustments:		
Other adjustments	(8.69)	(6.24)
<b>Revenue from contract with customers</b>	<b>607.89</b>	<b>577.97</b>

e) Transaction price - remaining performance obligation

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

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

23 Finance costs

Interest on		
Term loan	326.61	341.73
Working capital loan	25.86	9.78
Compulsory convertible debenture	53.60	53.48
Lease liabilities (refer note 4)	0.45	0.44
Others	-	0.07
Ancillary cost of borrowings	44.68	5.22
Other borrowing cost	13.60	3.69
	<b>464.80</b>	<b>414.41</b>

24 Depreciation and amortisation expenses

Depreciation on property, plant and equipment (refer note 3)	229.72	229.71
Amortisation of right of use assets (refer note 4)	2.38	2.37
	<b>232.10</b>	<b>232.08</b>

25 Other expenses

Operation and maintenance expenses	20.26	19.29
Repairs and maintenance		
Plant and equipment	0.86	2.07
Rates and taxes	0.61	0.29
Insurance	4.11	3.90
Legal and professional fees	3.63	1.97
Payment to auditors (refer note 'a' below)	0.43	0.43
Bank charges	0.17	0.15
Foreign exchange loss (net)*	4.85	0.10
	<b>34.92</b>	<b>28.20</b>

\*Represents fair value loss on derivative contracts (net)

Note:-

a) payment to auditors (inclusive of taxes) as auditors

	0.43	0.43
	<b>0.43</b>	<b>0.43</b>

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**26 Financial instruments**

**(i) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements** In Rs million unless otherwise stated

31 March 2022	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Derivative financial liabilities	-	3.72	-	3.72
<b>Total financial liabilities</b>	-	3.72	-	3.72

**(iii) Valuation technique used to determine fair value**

Fair value of forward foreign exchange contract and interest rate and cross currency swap is determined using dealer/ counterparty quotes as at balance sheet date.

**Financial instruments**

**(i) Financial instruments by category**

In Rs million unless otherwise stated

Particulars	31 March 2023		31 March 2022	
	FVTPL*	Amortised cost	FVTPL*	Amortised cost
<b>Financial assets</b>				
Loans	-	1,007.21	-	376.85
Other financial assets	-	6.73	-	5.90
Trade receivable	-	971.79	-	1,501.54
Cash and cash equivalents	-	211.81	-	33.30
Other bank balances	-	8.30	-	8.81
<b>Total financial assets</b>	-	2,205.84	-	1,926.40
<b>Financial liabilities</b>				
Borrowings	-	4,351.76	-	4,168.53
Lease liabilities (including current maturities)	-	4.47	-	4.34
Other financial liabilities	-	293.61	3.72	297.59
Trade payables	-	0.20	-	14.61
<b>Total financial liabilities</b>	-	4,650.04	3.72	4,485.07

\*Fair value through Profit and Loss

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

**(ii) Risk management**

The Company's 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's 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's 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	Trade receivables, cash and cash equivalents, other bank balances, loan 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 counterparty. 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	31 March 2023	31 March 2022
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loan and other financial assets	2,205.84	1,926.40

b) Credit risk exposure

(i) Provision for expected credit losses

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

31 March 2023

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	211.81	-	211.81
Other bank balances	8.30	-	8.30
Loans	1,007.21	-	1,007.21
Trade receivables	971.79	-	971.79
Other financial assets	6.73	-	6.73

31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	33.30	-	33.30
Other bank balances	8.81	-	8.81
Loans	376.85	-	376.85
Trade receivables	1,501.54	-	1,501.54
Other financial assets	5.90	-	5.90

The Company's major trade receivables and unbilled revenue are only with government owned counterparty and are recoverable under the terms of power purchase agreements. Therefore, these trade receivables and unbilled revenue are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. Any provisions against such receivables are for liquidated damages and not related to credit worthiness of the counterparty. The Company considers that trade receivables are not credit impaired as these are receivable from Government undertaking (Also refer note 32)

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.

The Company has given loans to group entities and the credit risk in relation to such loans has been assessed as negligible.



**(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's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's 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.

**Maturities of financial liabilities**

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

In Rs million unless otherwise stated

31 March 2023	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest)	16.29	892.91	1,889.21	3,491.35	6,289.76
Lease liabilities (refer note 4 and 35)	-	0.35	1.59	12.16	14.10
Compulsory convertible debentures (including interest)	-	342.73	212.31	1,534.76	2,089.80
Trade payables	-	0.20	-	-	0.20
Other financial liabilities	-	4.06	-	-	4.06
<b>Total</b>	<b>16.29</b>	<b>1,240.25</b>	<b>2,103.11</b>	<b>5,038.27</b>	<b>8,397.92</b>

31 March 2022	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest)	163.72	459.61	1,881.91	3,617.53	6,122.77
Lease liabilities (refer note 4 and 35)	-	0.33	1.52	12.58	14.43
Compulsory convertible debentures (including interest)	-	294.84	212.16	1,587.23	2,094.23
Trade payables	-	14.61	-	-	14.61
Other financial liabilities	-	55.75	-	-	55.75
<b>Derivative</b>					
Other financial liabilities	-	3.72	-	-	3.72
<b>Total</b>	<b>163.72</b>	<b>828.86</b>	<b>2,095.59</b>	<b>5,217.34</b>	<b>8,305.51</b>

**(C) Market risk**

**a) Foreign exchange risk**

The Company 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 Company's functional currency. The Company as per its overall strategy uses forward contracts and swaps to mitigate its risks associated with fluctuations in foreign currency and interest rates on borrowings and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

**Foreign currency risk exposure:**

In Rs million unless otherwise stated

Particulars	Currency	31 March 2023	31 March 2022	Currency	31 March 2023	31 March 2022
Foreign currency loan	USD	-	7.64	Rs.	-	578.86
Forward contract outstanding	USD	-	(7.64)	Rs.	-	(578.86)

**Sensitivity**

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

Particulars	31 March 2023		31 March 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Rs./USD- increase/ decrease by 1%	-	-	-	-

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**Derivatives and hedged foreign currency exposure**

(a) **Detail of the forward contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuation.**

Year Ended	Currency	No. of contracts	Foreign currency (US \$ mn)	Start Date	End date	Floating rate	Fixed rate (%)
31 March 2022	US \$	1	7.64	31 March 2022	31 March 2023	USD 6M LIBOR + 3%	9.15

Further, no forward contract was outstanding as on 31 March 2023.

b) **Interest rate risk**

i) **Liabilities**

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

*Interest rate risk exposure*

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

In Rs million unless otherwise stated

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	3,858.46	3,528.40
Fixed rate borrowing	477.01	476.41
<b>Total borrowings</b>	<b>4,335.47</b>	<b>4,004.81</b>

*Sensitivity*

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

Particulars	31 March 2023	31 March 2022
<b>Interest sensitivity*</b>		
Interest rates – increase by 100 basis points (31 March 2022: 100 basis points)	38.58	35.28
Interest rates – decrease by 100 basis points (31 March 2022: 100 basis points)	(38.58)	(35.28)

\* Holding all other variables constant

ii) **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

*Interest rate risk exposure*

Below is the overall exposure of the deposits:

In Rs million unless otherwise stated

Particulars	31 March 2023	31 March 2022
Fixed rate deposits	174.04	28.81
<b>Total deposits</b>	<b>174.04</b>	<b>28.81</b>

The Company does not have any interest rate risk on these fixed deposits.

The Company has given loans to group entities with fixed rate of interest. They are therefore not subject to interest rate risk.

c) **Price risk**

The Company does not have any other price risk than interest rate risk and foreign currency risk as disclosed above.

**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	31 March 2023	31 March 2022
Borrowings	4,351.76	4,168.53
Trade payables	0.20	14.61
Lease liabilities	4.47	4.34
Other financial liabilities	293.61	301.31
Less: Cash and cash equivalents	211.81	33.30
<b>Net debt</b>	<b>4,438.23</b>	<b>4,455.49</b>
Equity	71.41	168.75
<b>Total equity</b>	<b>71.41</b>	<b>168.75</b>
<b>Capital and net debt</b>	<b>4,509.64</b>	<b>4,624.24</b>
<b>Gearing ratio (%)</b>	<b>98.42%</b>	<b>96.35%</b>

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



**Aarohi Solar Private Limited**  
CIN-U32109HR2008PTC038030

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

**27 Related parties**

**I. List of relatd parties as per the requirements of Ind-AS 24 - related party disclosures**

**Ultimate Holding Company**

MKU Holdings Private Limited

**Intermediate Holding Company**

ACME Cleantech Solutions Private Limited

**Holding company**

ACME Solar Holdings Private Limited

**Fellow Subsidiaries (with whom transactions have been made)**

Dayanidhi Solar Power Private Limited

ACME Solar Energy Private Limited

ACME Jaisalmer Solar Private Limited

Vishwatma Solar Energy Private Limited

Sunworld Solar Power Private Limited

Niranjana Solar Power Private Limited

Sunworld Innovation Private Limited

Banola Power Private Limited

Mahisagar Power Private Limited

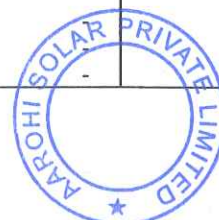
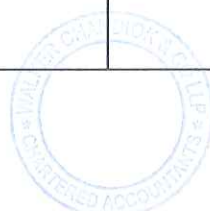
Yogesh Power Private Limited

Saibliss Power Pvt Ltd

**II. Transactions with related parties and outstanding year end balances**

In Rs million unless otherwise stated

S.No.	Particular	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
(A)	Transaction with related parties <sup>a</sup>	Intermediate Holding and Holding Company	Intermediate Holding and Holding Company	Others	Others
1	<b>Expenses incurred on behalf of the Company</b>				
	ACME Cleantech Solutions Private Limited	0.71	4.43	-	-
	ACME Solar Holdings Private Limited	6.40	0.11	-	-
	Banola Power Private Limited	-	-	0.07	0.07
	Sunworld Innovation Private Limited	-	-	0.07	0.07
	Yogesh Power Private Limited	-	-	0.07	-
	Mahisagar Power Private Limited	-	-	0.05	-
2	<b>Operation and maintenance expenses</b>				
	ACME Cleantech Solutions Private Limited	20.26	19.29	-	-
3	<b>Repayment of short term borrowing</b>				
	ACME Solar Holdings Private Limited	164.82	28.03	-	-
	Dayanidhi Solar Power Private Limited	-	-	-	0.46
	Niranjana Solar Power Private Limited	-	-	3.57	4.13
	ACME Jaisalmer Solar Private Limited	-	-	-	0.51
4	<b>Receipt of loan given to related parties</b>				
	ACME Jaisalmer Solar Private Limited	-	-	2.61	-
	Dayanidhi Solar Power Private Limited	-	-	-	3.90
	ACME Solar Holdings Limited	2.50	-	-	-
5	<b>Loan given to related parties</b>				
	ACME Jaisalmer Solar Private Limited	-	-	1.45	2.13
	Dayanidhi Solar Power Private Limited	-	-	2.75	8.09
	Vishwatma Solar Energy Private Limited	-	-	2.29	2.71
	ACME Solar Holdings Private Limited	626.30	-	-	-
6	<b>Loan from related parties</b>				
	ACME Solar Holdings Private Limited	20.96	38.53	-	-
7	<b>Interest on compulsory convertible debentures</b>				
	ACME Solar Holdings Private Limited	53.60	53.54	-	-
8	<b>Interest income on loan to related parties</b>				
	ACME Solar Holdings Private Limited	1.67	-	-	-
	ACME Jaisalmer Solar Private Limited	-	-	0.18	0.03
	Dayanidhi Solar Power Private Limited	-	-	0.66	0.06
	Vishwatma Solar Energy Private Limited	-	-	0.47	0.05



In Rs million unless otherwise stated

S.No.	Particular	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(B)	Outstanding balances - year end	Intermediate Holding and Holding Company	Intermediate Holding and Holding Company	Others	Others
1	<b>Related party receivable<sup>#</sup></b>				
	ACME Solar Energy Private Limited	-	-	0.24	0.24
2	<b>Trade payables</b>				
	ACME Cleantech Solutions Private Limited	0.18	14.44	-	-
3	<b>Short term borrowings</b>				
	ACME Solar Holdings Private Limited	-	143.86	-	-
	Niranjana Solar Power Private Limited	-	-	16.29	19.86
4	<b>Loan given to related parties</b>				
	ACME Cleantech Solutions Private Limited	367.70	367.70	-	-
	ACME Solar Holdings Private Limited	625.31	-	-	-
	Jaisalmer Solar Power Private Limited	-	-	1.16	2.16
	Vishwatma Solar Energy Private Limited	-	-	5.46	2.75
	Dayanidhi Solar Power Private Limited	-	-	7.58	4.24
5	<b>Related party payable</b>				
	ACME Cleantech Solutions Private Limited	0.02	52.21	-	-
	ACME Solar Holdings Private Limited	-	0.51	-	-
	Banola Power Private Limited	-	-	0.02	-
	Sunworld Innovation Private Limited	-	-	0.01	0.19
	MKU Holdings Private Limited	-	0.53	-	-
	Yogesh Power Private Limited	-	-	0.02	-
	Mahisagar Power Private Limited	-	-	0.01	-
6	<b>Interest accrued on compulsory convertible debenture</b>				
	ACME Solar Holdings Private Limited	289.55	241.84	-	-
7	<b>Corporate guarantee given by Companies with respect to borrowings</b>				
	ACME Cleantech Solutions Private Limited	3,877.89	-	-	-
	Saibliss Power Pvt Ltd , Banola Power Private Limited, Mahisagar Power Private Limited, Yogesh Power Private Limited and Sunworld Innovation Private Limited	-	-	3,877.89	-
	MKU Holdings Private Limited and ACME Cleantech Solutions Private Limited	-	578.86	-	-
	Banola Power Private Limited, Mahisagar Power Private Limited, Yogesh Power Private Limited and Sunworld Innovation Private Limited	-	-	-	3,570.24
8	<b>Co obligation taken with respect to borrowings</b>				
	Dayanidhi Solar Power Private Limited, ACME Jaisalmer Solar Private Limited, Vishwatma Solar Energy Private Limited and Niranjana Solar Power Private Limited	-	-	3,877.89	-
9	<b>Co obligation given with respect to borrowings</b>				
	Dayanidhi Solar Power Private Limited	-	-	3,171.44	-
	ACME Jaisalmer Solar Private Limited	-	-	1,568.01	-
	Vishwatma Solar Energy Private Limited	-	-	2,347.56	-
	Niranjana Solar Power Private Limited	-	-	1,525.74	-

\* The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

# The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

28 Terms of borrowings

S.No.	Nature of loan	Nature of securities	Interest rate	Tenure of repayment	Prepayment of loan amount
1	Term loan (financial institution)*	a) Primary security: Term loans from Lender are secured by first pari passu charge by way of mortgage/leasehold right on all immovable and movable assets, both present and future, of the Company and on receivables, cash flow and bank account of the Company. b) Corporate guarantee: Corporate guarantee of Banola Power Private Limited, Mahisagar Power Private Limited, Yogesh Power Private Limited, Sunworld Innovation Private Limited and Saibliss Power Private Limited.	PLR (i.e. currently 16.00% p.a) - 5.25% spread. At present effective interest rate is 10.95% p.a	Loan shall be paid in 70 structured quarterly instalments commencing from 31 December 2018 and last instalment on 31 March 2036.  The Company had availed moratorium on principal repayment due on 31 March 2020. Lenders had agreed to extend the repayment schedule by 1 quarter. Accordingly, last instalment shall become due on 30 June 2036	1% prepayment premium  No prepayment to be charged, if the borrower prepays the loans within 90 (ninety) days of the interest/spread reset date, by providing a 60 (sixty) days prior notice, provided that till such date of prepayment the borrower shall pay revised applicable interest rate;
2	Term loan (financial institution)*	a) Primary security: Term loans from Lender are secured by first pari passu charge by way of mortgage/leasehold right on all immovable and movable assets, both present and future, of the Company and on receivables, cash flow and bank account of the Company. b) Corporate guarantee: Corporate guarantee of Banola Power Private Limited, Mahisagar Power Private Limited, Yogesh Power Private Limited, Sunworld Innovation Private Limited and Saibliss Power Private Limited.	PLR (i.e. currently 16.00% p.a) - 6.00% spread. At present effective interest rate is 10.00% p.a	Loan shall be paid in 70 structured quarterly instalments commencing from 31 December 2018 and last instalment shall become due on 31 March 2036.  The Company has availed moratorium on principal repayment due on 31 March 2020. Lenders have agreed to extend the repayment schedule by 1 quarter. Accordingly last instalment extended to 30 June 2036	2% prepayment premium  No prepayment to be charged, if the borrower prepays the loans within 90 (ninety) days of the interest/Spread reset date, by providing a 60 (sixty) days prior notice, provided that till such date of prepayment the borrower shall pay revised applicable interest rate;
3	Term loan (foreign loan)*	a) Primary security: Term loans from overseas financial institutions are secured by first charge on all immovable properties and movable properties assets of the projects both present & future of the Company and current assets and on TRA & DSRA, to be maintained by borrower. b) Collateral security: Pledge of 51% equity shares of the borrower c) Corporate guarantee of Acme Cleantech Solutions Private Limited, MKU Holdings Private Limited, Banola Power Private Limited, Mahisagar Power Private Limited, Yogesh Power Private Limited, Sunworld Innovation Private Limited and Saibliss Power Private Limited.	LIBOR + 3%	Repayment of the term loan in 65 structured instalments.	A pre-payment penalty of 2% of the amount repaid shall be levied. However, no pre-payment charges shall be payable if the prepayment is effected in any of the following events: a) At the instance of the lenders. b) If the prepayment is made with advance notice to the lenders. c) If prepayment is made from funds raised from IPO/Private Equity by the borrower.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

28 Terms of borrowings

S.No.	Nature of loan	Nature of securities	Interest rate	Tenure of repayment	Prepayment of loan amount
4	Term loan (financial institution)	<p>1. First pari passu charge on all the movable assets as well as immovable properties</p> <p>2. First pari passu assignment by way of security interest /charge on:</p> <p>i. all the rights, titles, interests, benefits, claims and demand whatsoever of the Borrower under the Project related documents (duly acknowledged and consented to); by the relevant counter- parties to such Project related documents, as applicable) including but not limited to licenses, permits, approvals and consents, current and future.</p> <p>ii. all the rights, titles, interests, benefits, claims and demand whatsoever of the Borrower in Insurance contracts/policies procured by the Borrower or procured by any of its contractors favouring the Borrower for the Project, current and future.</p> <p>iii. all the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in any guarantees, liquidated damages, letter of credit or performance bonds that may be provided by any counter-party under any Project Document in favour of the Borrower current and future.</p> <p>3. First pari passu charge on book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future, of the Borrower, pertaining to the Project.</p> <p>4. First pari passu charge on intangible assets of the Borrower.</p> <p>5. First pari passu charge on all the bank accounts of the Borrower</p> <p>6. Share Pledge by the Promoter to the extent of 51% of the paid-up equity share capital (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any)) of the Borrower in demat form; together with all accretions thereon.</p> <p>7. Corporate Guarantee of</p> <p>i. Acme Cleantech Solutions Private Limited till perfection of entire security</p> <p>ii. M/s Sunworld Innovations Pvt Ltd, M/s Yogesh Power Pvt Ltd, M/s Mahisagar Power Pvt Ltd, M/s Saibliss Power Pvt Ltd and M/s Barola Power Pvt Ltd. till perfection of mortgage of Borrower's immovable properties (owned and/or leased)</p> <p>8. Mortgage on entire land related to the Project as certified by the LIE.</p> <p>9. Charge/assignment by way of security interest of unsecured loan, infused by the promoter, if any.</p> <p>10. Pledge of 51% of CCDs infused by Promoter in the Borrower backed by a POA</p>	<p>Term Loan, Additional loan: 9.15% p.a. Short term loan: 11.15% p.a.</p>	<p>A) IREDA Term loan Facility (Rs. 316.78 Cr.) shall have tenure of maximum of 13.75 years from the date of first disbursement to be paid in 55 structured quarterly instalments (last instalment being not later than September 30, 2036) as per the indicative Repayment Schedule detailed in Annexure 8.</p> <p>B) Additional Term loan facility (Rs. 35.0 Cr.) shall have tenure of maximum 14.75 years from the date of first disbursement to be paid in 59 structured quarterly instalments (last instalment being not later than September, 30, 2037) as per indicative Repayment schedule detailed in Annexure 8)</p> <p>C) Short-term loan Facility (Rs. 50.22 Cr.) to be paid in 5 equated monthly instalments starting from March '23</p> <p>The principal amount of the Facility shall be payable on a quarterly basis and the interest payment shall be on monthly basis.</p>	<p>The Borrower shall have an option to prepay all of outstanding amounts under the Facility without any prepayment premium in each of the following cases:</p> <ul style="list-style-type: none"> <li>• On exercise of put option by Lender;</li> <li>• If the prepayment is effected at the instance of Lender(s), including exercise of Mandatory Repayment Schedule detailed in Annexure 8.</li> <li>• Cash Sweep clause;</li> <li>• On prepayment called for by Lender(s) on occurrence of Event of Default</li> </ul> <p>In the event of prepayment, following prepayment premium shall be applicable</p> <ul style="list-style-type: none"> <li>• On every interest reset date: Nil</li> <li>• On any other date other than above: 2%</li> </ul> <p>The borrower shall have an option to prepay all outstanding amounts under the facility with 60 days of prior notice, within 90 days of interest reset date as per above mentioned details.</p>

\* During the current year, the Company had re-paid the entire dues of existing borrowings from financial institutions and foreign loan.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

29 Earnings/ (loss) per share

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the parent 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 loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

Particulars	In Rs million unless otherwise stated	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss attributable to owners	(97.34)	(109.68)
Number of equity shares	2,017,066	2,017,066
Weighted average number of shares used in basic loss per share	2,017,066	2,017,066
Weighted average number of shares used in diluted loss per share	2,017,066	2,017,066
Basic loss per share (Rs.)	(48.26)	(54.38)
Diluted loss per share (Rs.)	(48.26)	(54.38)

Compulsorily convertible debentures, which are convertible into variable number of equity shares based upon the fair value of the equity shares on the date of conversion, have not been considered in the calculation of loss per share.

30 Details of assets pledged

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

Particulars	In Rs million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Trade receivables	971.79	1,501.54
Cash and cash equivalents	211.81	33.30
Other bank balances	8.30	8.81
Loans	1,007.21	376.85
Other financial assets	1.16	1.16
<b>Total</b>	<b>2,200.27</b>	<b>1,921.66</b>
<b>Non-current</b>		
Property, plant and equipment	2,357.41	2,587.13
Other financial assets	5.57	4.74
<b>Total</b>	<b>2,362.98</b>	<b>2,591.87</b>
<b>Grand total</b>	<b>4,563.25</b>	<b>4,513.53</b>

31 Contingent liabilities

Particulars	In Rs million unless otherwise stated	
	As at 31 March 2023	As at 31 March 2022
Co-obligation given for long term borrowings (refer note 27)	8,612.75	-
<b>Total</b>	<b>8,612.75</b>	<b>-</b>

- 32 The Government of Andhra Pradesh had issued a government order on 1 July 2019, pursuant to which it constituted a high-level negotiation committee to negotiate and reduce the tariff of solar power purchase agreements (PPAs) to Rs. 2.44 per unit. Pursuant to this Government order, the DISCOM in Andhra Pradesh, with whom power purchase agreement was entered, issued notice to the Company, asking for reduction of the tariff to Rs. 2.44/unit, failing which the PPA would be terminated. The Company approached Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court pronounced its interim order on 24 September 2019 by way of which the Government order and DISCOM notice were set aside and AP DISCOM was directed to make payment at interim tariff of Rs. 2.44 per until the already pending matter before Andhra Pradesh Electricity Regulatory Commission ("Commission") is decided by the Commission. The Company challenged the said order before divisional bench of Hon'ble High Court of Andhra Pradesh ("HC") to the extent of interim tariff of Rs. 2.44 per unit as there was no such matter related to solar developers which was pending before the Commission since the matter related to wind developers alone was pending before the Commission and thus, the said findings were incorrect. On 15 March 2022, the Hon'ble HC issued its order in Company's favour upholding that the order passed by the learned single Judge fixing the interim rate or interim tariff of Rs. 2.44 per unit for solar power and for payment of all the pending and future bills of all the petitioners, is set aside and instead the DISCOM is directed to make payment of all pending and future bills at the rate mentioned in the PPAs and further, the payment of arrears/ pending bills shall be made within a period of six weeks from the date of the said order. Pursuant to such order by the Hon'ble High Court, AP Discoms filed a petition before Hon'ble Supreme Court against the said order of High Court of Andhra Pradesh, which was subsequently dismissed by Hon'ble Supreme Court on 2 January 2023.





Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

On 4 August 2022, AP DISCOMs communicated to the Company that they were availing the scheme of Ministry of Power (Late Payment Surcharge and related matters) Rules 2022 ("LPS rules"). Accordingly, AP Discoms called upon the Company for reconciliation of accounts and stated that the outstanding dues up to May 2022 would be disbursed in 12 monthly instalments starting from August 2022. Accordingly, AP DISCOMs started paying monthly instalment against the said outstanding dues. During reconciliation, the Company noted that a unilateral deduction of dues was being considered effective the plant commissioning date (COD), towards the alleged excess installed DC capacity. Subsequent to year end, on 4 April 2023, the Company received a notice from AP DISCOMs to disconnect the additional installed DC panels added after COD of the project, falling which DISCOM shall be free to terminate the PPA. The Company had challenged the same before the Commission; however, the Commission did not provide any interim relief. In an appeal filed before Appellate Tribunal for Electricity (APTEL) against the Commission's interim order denying appropriate relief to the Company, APTEL vide order dated 8 May 2023 has directed AP Discoms to not take any coercive steps against the Company and further, upheld that the AP Discoms are no longer required to make payment for the additional DC capacity installed, until the petition pending before the Commission is finally disposed of.

As at 31 March 2023, the Company has received 8 instalments as per LPS Rules mechanism amounting to Rs. 860.59 million against the outstanding dues up to May 2022, after deduction towards alleged excess installed DC capacity since the project commissioning date and has related outstanding balance of Rs. 555.03 million as on 31 March 2023. Total outstanding dues attributable to alleged excess installed DC capacity amounts to Rs. 250.96 million as at 31 March 2023. Based on the internal analysis supported by legal opinion, the management is of the view that it is highly likely that the matter with respect to outstanding dues towards the additional DC capacity pending before the Commission, will be decided in Company's favour and hence, no adjustment is considered necessary in these financial statements.

33 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2022	In Rs million unless otherwise stated				As at 31 March 2023
		Cash flows		Non cash changes		
		Additions	Payments	Foreign exchange movement	Interest expenses/ adjustment	
Borrowings (term loans)	3,222.31	904.33	(700.93)	47.23	(16.24)	3,456.70
Compulsorily convertible debenture	476.41	-	-	-	0.60	477.01
Short term borrowings	306.09	502.20	(406.53)	-	-	401.76
Borrowings from related parties	163.72	20.96	(168.39)	-	-	16.29
Lease liabilities	4.34	-	(0.32)	-	0.45	4.47
Interest accrued on borrowings	241.84	-	(393.62)	-	441.33	289.55
<b>Total liabilities from financial activities</b>	<b>4,414.71</b>	<b>1,427.49</b>	<b>(1,669.79)</b>	<b>47.23</b>	<b>426.14</b>	<b>4,645.78</b>

Particulars	As at 01 April 2021	In Rs million unless otherwise stated				As at 31 March 2022
		Cash flows		Non cash changes		
		Additions	Payments	Foreign exchange movement	Interest expenses/ adjustment	
Borrowings (term loans)	3,312.17	-	(91.46)	17.50	(15.90)	3,222.31
Compulsorily convertible debenture	475.88	-	-	-	0.53	476.41
Short term borrowings	183.44	122.65	-	-	-	306.09
Borrowings from related parties	158.32	38.53	(33.13)	-	-	163.72
Lease liabilities	4.21	-	(0.31)	-	0.44	4.34
Interest accrued on borrowings	194.14	-	(360.52)	-	408.22	241.84
<b>Total liabilities from financial activities</b>	<b>4,328.16</b>	<b>161.18</b>	<b>(485.42)</b>	<b>17.50</b>	<b>393.29</b>	<b>4,414.71</b>

34 Details for funds received and loaned as intermediary\*

In Rs million unless otherwise stated		
Funding Party	Date	Amount
Indian Renewable Energy Development Agency Limited Address: 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi-110006	24 March 2023	623.80

In Rs million unless otherwise stated		
Ultimate Beneficiaries	Date	Amount
ACME Solar Holdings Private Limited (Holding Company) Address: Plot 152, Sector - 44, Gurugram, Haryana, 122002	27 March 2023	150.69
	28 March 2023	431.40
	31 March 2023	41.71



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

c) Co-guarantee provided to or on behalf of the ultimate beneficiaries:

In Rs million unless otherwise stated

Ultimate Beneficiaries	Date	Amount
ACME Jaisalmer Solar Power Private Limited	24 March 2023	1,371.03
ACME Jaisalmer Solar Power Private Limited	27 March 2023	252.87
Vishwatma Solar Energy Private Limited	24 March 2023	2,035.26
Vishwatma Solar Energy Private Limited	27 March 2023	398.24
Dayanidhi Solar Power Private Limited	24 March 2023	2,785.13
Dayanidhi Solar Power Private Limited	27 March 2023	504.87
Niranjana Solar Energy Private Limited	24 March 2023	1,325.33
Niranjana Solar Energy Private Limited	27 March 2023	254.67

\* Refer note 16 and 28

35 Ind AS 116 - Leases

The Company has lease agreement usually for a period of 30 years with individuals for land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

A Lease payments not included in measurement of lease liability

The Company did not entered into any lease arrangements which are either of low value or are considered as short term leases.

B Information about extension and termination options

The lease agreement provide options for extension to the Company if power purchase agreement is extended.

36 Additional regulatory disclosure

(A) The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Particular	Numerator	Denominator	31 March 2023	31 March 2022	Variance
(a) Current ratio	Current assets	Current liabilities	2.45	2.08	17.65%
(b) Debt equity ratio	Total Debt	Shareholders equity	60.94	24.70	146.69% ^
(c) Debt service coverage ratio (refer point 1 below)	Earnings available for debt service	Debt Service	0.51	1.24	-58.57% @
(d) Return on equity ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-81.06%	-49.05%	-65.26% *
(e) Inventory turnover ratio	Net Sales	Avg. Inventory	Not Applicable	Not Applicable	Not Applicable
(f) Trade receivable turnover ratio	Net Credit Sales	Avg. Accounts Receivable & Unbilled revenue	0.49	0.44	11.21%
(g) Trade payable turnover ratio	Net Sales	Avg. Accounts Payables	Not Applicable	Not Applicable	Not Applicable
(h) Net capital turnover ratio	Net Sales	Working Capital	0.47	0.58	-19.29%
(i) Net profit ratio (%)	Net profit	Net sales	-16.01%	-18.98%	15.62%
(j) Return on capital employed ratio (%) (refer point 2 below)	Earning before interest and taxes	Capital Employed	7.87%	7.45%	5.62%
(k) Return on investment ratio (%)	Income generated from invested funds	Average invested funds in treasury investments	Not Applicable	Not Applicable	Not Applicable

Reasons for variance

^ Increase in debt and increase in accumulated losses in current year resulted in increase in ratio.

@ Increase in finance cost and debt repayment resulted in decrease in ratio.

\* Decrease in losses and decrease in shareholder's equity resulted in decrease in ratio.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Other explanatory points**

- 1 Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.  
Debt service = Interest & Lease Payments + Principal Repayments  
"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.
  - 2 Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (B) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (C) The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies, beyond the statutory period prescribed under the Companies Act, 2013 and the rules made thereunder.
- (D) The Company has not entered into any transaction which has not been recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (E) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (F) The Company does not have any Benami property and further, no proceedings have been initiated or are pending against the Company, in this regard.
- (G) The Company has not entered into any transactions with struck off companies, as defined under the Companies Act, 2013 and rules made thereunder.
- (H) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)  
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (I) Pursuant to the terms of the sanction letters, the Company is not required to file any quarterly return or statement with such lenders.

**37 Segment reporting**

The Company is engaged in the business of sale of electricity. 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. All the revenue has been billed to a single customer. Further, the operations of the Company are limited within one geographical segment. Hence, no further disclosure is required to be made.

38 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to current year's classification. Such reclassification did not have any impact on the current year financial statements.

39 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by company.

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

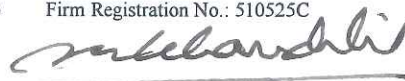


**Deepak Mittal**  
Partner  
Membership No. 503843

Place: Gurugram  
Date: 09 June 2023



For DHANA & Associates  
Chartered Accountants  
Firm Registration No.: 510525C



**Arun Khandelia**  
Partner  
Membership No. 089125

Place: New Delhi  
Date: 09 June 2023



For and on behalf of the Board of Directors



**Veer Pratap**  
Director  
DIN No. 06887340

Place: Gurugram  
Date: 09 June 2023



**Parveen Tyagi**  
Director  
DIN No. 07433691

Place: Gurugram  
Date: 09 June 2023

