# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

## To the Members of Sunshakti Solar Power Projects Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Sunshakti Solar Power Projects Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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.

### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Ahmedabad

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## Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

7. 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 SAs 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.

8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.

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- 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 with reference to financial statements in place and the operating effectiveness of such controls.

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

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

- 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.

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

**Report on other legal and regulatory requirements**

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

11. As required by Section 143(3) of the Act, we report 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 purposes of our audit.

    (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 except for the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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(e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

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 March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38(9) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38(9) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("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 that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has been operating throughout the year for all relevant transactions recorded in the software at application level and has been operating from March 27, 2024 at database level, except that the audit log does not capture changes, if any made using certain privileged access. Further, during the course of our audit except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with. (Refer Note 39 to the financial statements)

12. The provisions of section 197 read with Schedule V of the Act are applicable to the Company. However, the Company has not paid/ provided any managerial remuneration during the year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number:012754N/N500016

Viren Shah
Partner
Membership Number: 046521
UDIN: 24046521BKFVOR4105

Place: Ahmedabad
Date: May 16, 2024

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Sunshakti Solar Power Projects Private Limited on the financial statements for the year ended March 31, 2024


## Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Sunshakti Solar Power Projects Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 its business, including adherence to 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

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 Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both 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 was 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 system with reference to financial statements.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Ahmedabad

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Sunshakti Solar Power Projects Private Limited on the financial statements for the year ended March 31, 2024


### 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 includes 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) 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number:012754N/N500016

Viren Shah
Partner
Membership Number: 046521
UDIN: 24046521BKFVOR4105

Place: Ahmedabad
Date: May 16, 2024

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Sunshakti Solar Power Projects Private Limited on the financial statements as of and for the year ended March 31, 2024


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

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 6 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generation of power through Solar Power and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company is engaged in providing infrastructural facilities as specified in Schedule VI to the Act and accordingly, the provisions of Section 186, except subsection (1), of the Act are not applicable to the Company. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans given by it.

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v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its services. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans and debt instruments have been applied for the purposes for which they were obtained. (Also refer Note 16 and 17 to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

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

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(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. 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 Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes ns to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number:012754N/N500016

Viren Shah
Partner
Membership Number: 046521
UDIN: 24046521BKFVOR4105

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Solar Power Projects Private Limited
Balance sheet as at March 31, 2024

(₹ in lacs)

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | 25,075.37 | 26,259.41 |
| Financial assets | | - | - |
| Other financial assets | 7 | 0.04 | - |
| **Total non-current assets** | | 25,075.41 | 26,259.41 |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 8 | 2,269.63 | 2,065.79 |
| Receivable from customer under Late payment surcharge scheme | 9 | - | 2,008.32 |
| Cash and cash equivalents | 10 | 41.27 | 56.11 |
| Other financial assets | 11 | 0.10 | 236.08 |
| Current tax assets (net) | 12 | 4.79 | 13.68 |
| Other current assets | 13 | 31.45 | 28.48 |
| **Total current assets** | | 2,347.24 | 4,408.46 |
| **Total Assets** | | 27,422.65 | 30,667.87 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 14 | 6.13 | 4.55 |
| Share capital suspense | | - | 1.58 |
| Other equity | 15 | 14,687.20 | 12,814.84 |
| **Total Equity** | | 14,693.33 | 12,820.97 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 16 | 6,161.51 | - |
| Deferred tax liabilities (net) | 27 | 2,893.73 | 2,257.78 |
| **Non-current liabilities** | | 9,055.24 | 2,257.78 |
| **Total non current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 3,385.55 | 15,261.51 |
| Trade payables | 18 | | |
| Total outstanding dues of micro and small enterprises | | 21.95 | 0.31 |
| Total outstanding dues other than micro and small enterprises | | 31.89 | 35.61 |
| Other financial liabilities | 19 | 213.80 | 224.19 |
| Other current liabilities | 20 | 20.89 | 41.92 |
| Provisions | 21 | - | 25.58 |
| **Total current liabilities** | | 3,674.08 | 15,589.12 |
| **Total Equity and Liabilities** | | 27,422.65 | 30,667.87 |

**See accompanying notes forming part of the financial statements**

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016

**Viren Shah**
Partner
Membership No.: 046521

Place: Ahmedabad
Date: May 16, 2024

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

**Nisarg Shah**
Director
DIN : 08812336

Place: Ahmedabad
Date: May 16, 2024

**Jigish Mehta**
Director
DIN: 09054778

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Solar Power Projects Private Limited

Sunshakti Solar Power Projects Private Limited

**Statement of Profit and Loss**

**For the year ended March 31, 2024**

(₹ in lacs)

| | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 22 | 5,158.65 | 5,150.38 |
| Other income | 23 | 17.53 | 120.87 |
| **Total income** | | 5,176.18 | 5,271.25 |
| **Expenses** | | | |
| Finance costs | 24 | 972.52 | 1,539.66 |
| Depreciation expense | 25 | 1,202.07 | 1,200.50 |
| Other expenses | 26 | 493.28 | 1,491.24 |
| **Total expenses** | | 2,667.87 | 4,231.40 |
| **Profit before tax** | | 2,508.31 | 1,039.85 |
| **Tax expense** | | | |
| Current tax | | - | - |
| Deferred tax | 27 | 635.95 | 266.11 |
| Deferred tax in respect of earlier years | | - | (970.41) |
| Short / (excess) provision of current tax for earlier years | | - | 7.18 |
| | | 635.95 | (697.12) |
| **Profit for the year** | | 1,872.36 | 1,736.97 |
| **Other comprehensive income** | | | - |
| **Total comprehensive income for the year** | | 1,872.36 | 1,736.97 |
| Basic and diluted earnings per share of face value of ₹10 each (in ₹) | 31 | | |
| (i) Basic EPS | | 3,056.92 | 3,818.02 |
| (ii) Diluted EPS | | 3,056.92 | 3,314.89 |

**See accompanying notes forming part of the financial statements**

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016

**Viren Shah**
Partner
Membership No.: 046521

Place: Ahmedabad
Date: May 16, 2024

For and on behalf of the Board of Directors

**Nisarg Shah**
Director
DIN : 08812336

Place: Ahmedabad
Date: May 16, 2024

**Jigish Mehta**
Director
DIN: 09054778

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Solar Power Projects Private Limited

Sunshakti Solar Power Projects Private Limited

Statement of cash flows

For the year ended March 31, 2024

(₹ in lacs)

| | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | | 2,508.31 | 1,039.85 |
| **Adjustments for :** | | | |
| Depreciation expense | 25 | 1,202.07 | 1,200.50 |
| Liabilities of earlier years written back | 22 | - | (4.98) |
| Advances written off (net of recovery) | 26 | - | 12.80 |
| Finance costs | 24 | 972.52 | 1,539.66 |
| Interest income | 23 | (0.91) | (115.89) |
| **Operating profit before working capital changes** | | 4,681.99 | 3,671.94 |
| **Movement in working capital:** | | | |
| Adjustments for decrease / (increase) in operating assets: | | | |
| Trade receivables | 8 | (203.84) | 4,490.45 |
| Other financial assets | 11 | 2,244.26 | (1,969.54) |
| Other current assets | 13 | (2.95) | 16.33 |
| Adjustments for increase / (decrease) in operating liabilities: | | | |
| Trade payables | 18 | 17.92 | (215.31) |
| Other financial liabilities | 19 | (16.69) | |
| Provisions | 21 | (25.58) | - |
| Other current liabilities | 20 | (21.03) | (9.83) |
| **Cash generated from operations** | | 6,674.08 | 5,984.04 |
| Taxes paid (net of refund) | | 8.90 | 5.82 |
| **Net cash flow generated from operating activities** | | 6,682.98 | 5,989.87 |
| **Cash flow from investing activities** | | | |
| Payments for property, plant and equipment & intangible assets | | (12.02) | (26,065.70) |
| Interest received | | 0.91 | 115.89 |
| **Net cash used in investing activities** | | (11.11) | (25,949.81) |
| **Cash flow from financing activities** | | | |
| Proceeds from Loan from related parties | 16 | 50.00 | 27,903.00 |
| Repayment of loan from related parties | 16 | (5,950.00) | (12,641.00) |
| Interest paid | 17 | (786.71) | (1,246.26) |
| CCD Interest paid | | - | (298.01) |
| **Net cash (used in) / generated from financing activities** | | (6,686.71) | 13,717.73 |
| **Net decrease in cash and cash equivalents** | | (14.84) | (6,242.21) |
| **Cash and cash equivalents as at beginning of the year** | | 56.11 | 6,298.32 |
| **Cash and cash equivalents as at end of the year** | | 41.27 | 56.11 |

**Notes:**

1 Cash and cash equivalents as at end of the year:

| | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Balances with banks | | | |
| Balance in current accounts | 10 | 41.27 | 56.11 |
| | | 41.27 | 56.11 |

2 The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows" .

3 During the previous year the company has passed resolution for conversion of compulsory convertible debentures into equity shares. (Refer note 14)

4 Cash flow from operating activities includes Rs. 40.36 Lacs ( Previous year Rs. 32.15 Lacs) being expense towards corporate social responsibility initiatives.

**See accompanying notes forming part of the financial statements**

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016

**Viren Shah**
Partner
Membership No.: 046521

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Solar Power Projects Private Limited

For and on behalf of the Board of Directors

**Nisarg Shah**
Director
DIN : 08812336

Place: Ahmedabad
Date: May 16, 2024

**Jigish Mehta**
Director
DIN: 09054778

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Solar Power Projects Private Limited
Statement of changes in equity for the Year ended March 31, 2024

A. Equity share capital [Refer note 14]

| | (₹ in lacs) |
|---|---|
| **Balance as at April 01, 2023** | 4.55 |
| Changes in equity share capital during the year | 1.58 |
| **Balance as at March 31, 2024** | 6.13 |
| | |
| **Balance as at April 1, 2022** | 4.55 |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2023** | 4.55 |

B. Other equity [Refer note 15]

(₹ in lacs)

| | Reserves and surplus | | | | |
|---|---|---|---|---|---|
| | Securities premium | Retained earnings | Capital contribution | Equity component of compound financial instrument | Total |
| **Balance as at April 01, 2023** | 7,226.44 | 4,357.21 | 1,231.19 | - | 12,814.84 |
| Profit for the year | - | 1,872.36 | - | - | 1,872.36 |
| **Balance as at March 31, 2024** | 7,226.44 | 6,229.57 | 1,231.19 | - | 14,687.20 |
| | | | | | |
| **Balance as at April 1, 2022** | 3,817.37 | 3,338.36 | 1,174.30 | 557.41 | 8,887.44 |
| Profit for the year | - | 1,736.97 | - | - | 1,736.97 |
| Capital contribution for the year | - | - | 56.89 | - | 56.89 |
| Deferred tax on account of conversion of Compulsory Convertible Debentures | - | (718.12) | - | - | (718.12) |
| Conversion of Compulsory Convertible Debentures into Equity | 3,409.07 | - | - | (557.41) | 2,851.66 |
| **Balance as at March 31, 2023** | 7,226.44 | 4,357.21 | 1,231.19 | - | 12,814.85 |

See accompanying notes forming part of the financial statements
In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016

**Viren Shah**
Partner
Membership No.: 046521

Place: Ahmedabad
Date: May 16, 2024

For and on behalf of the Board of Directors

**Nisarg Shah**
Director
DIN : 08812336

Place: Ahmedabad
Date: May 16, 2024

**Jigish Mehta**
Director
DIN: 09054778

Place: Ahmedabad
Date: May 16, 2024

Sunshakti Power Projects Private Limited

**Sunshakti Solar Power Projects Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2024**

## Note 1. General Information

The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad, Gujarat – 380015. Torrent Power Limited has entered into a Securities Purchase Agreement (SPA) with Skypower Southeast Asia III Investments Limited and Skypower Asia Holdings 2 Limited for the acquisition of 100% of the share capital and all securities of the Company. The Company has become wholly owned subsidiary of Torrent Power Limited w.e.f. June 13, 2022.

The Company is engaged in the business of generation of solar power. Electricity generated from the project is being supplied to Northern Power Distribution Company of Telangana Limited under a 25 years Power Purchase Agreement.

## Note 2. NEW STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

### New standards or interpretations adopted by the Company:

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### New standards and interpretations issued but not yet effective

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 01, 2023:

i) Ind AS 1 – Disclosure of accounting policies
ii) Ind AS 8 – Definition of Accounting estimates
iii) Ind AS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## Note 3(a). Material accounting policies

### 3.1 Basis of preparation:

a) Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

b) Historical cost convention

The financial statements have been prepared on an the historical basis under the historical cost convention.

• Certain financial assets and liabilities which have been measured at fair value.

c) All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

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### 3.2 Property, plant and equipment:

**Property, Plant and Equipment:-**

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2021.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Directly attributable costs are capitalized until the asset is ready to use in accordance with the Company's accounting policy of capitalization.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Depreciation methods, estimated useful lives and residual value**

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.

Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2002. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The depreciation rates are as follows:

| Class of assets | Rate of Depreciation |
|---|---|
| Plant and machinery | 5.28% |
| Office Equipment and Furniture | 6.33% |

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### 3.3 Impairment of Property, Plant and Equipment:

Property, Plant and Equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is

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recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 3.4 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 3.5 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price, when the control of the services has been transferred to consumers net of discounts and other similar allowances.
Revenue from power supply is accounted for on the basis of billings to consumer in accordance with the Power Purchase Agreement. Performance obligation i.e. supply of power to the grid is considered complete based on meter reading carried out jointly with the customer of the Company has objective evidence that all criteria for acceptance have been satisfied. The revenue is recognised when the performance obligation is met. Revenue is net of discount and rebates.

### 3.6 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current Tax:**

The tax currently payable is based on taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset when there is a legally enforceable right to offset and balance arises with same tax authority.

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**Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

## 3.7 Earnings per share:

Basic earnings per share (EPS) is computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 3.8 Provisions, contingent liabilities and contingent assets:

**Provisions:**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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**Contingent liability:**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

**Contingent assets:**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

**3.9 Financial instruments:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

**i) Classification of financial assets (including debt instruments)**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**ii) Initial measurement**

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

**iii) Subsequent measurement**

**Debt instruments**

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost:**

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Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses).

- **Fair value through profit or loss:**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

**iv) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with it's financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience.

**v) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**vi) Income recognition**

- **Interest income**

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

**Financials liabilities:**

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

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Sunshakti Solar Power Projects Private Limited

**i) Classification**

The Company's financial liabilities are measured at amortized cost.

**ii) Initial measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

**iii) Subsequent measurement**

Financial liabilities subsequently measured at amortised cost using the Effective Interest Rate method.

The Effective Interest Rate Method (EIR) is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

**iv) Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**3.10 Leases:**

**Short term leases and leases of low value assets:**

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

**3.11 Amount presented and rounding off:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

**Note 4. Other accounting policies**

**4.1 Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

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## Note 5 : Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 3 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of recognition of deferred tax assets and liabilities (refer note 27).

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Notes forming part of the financial statements for the year ended March 31, 2024

## Note 6 : Property, plant and equipment

(₹ in lacs)

As at March 31, 2024

| Particulars | Gross Block | | | | Accumulated depreciation | | | | Net carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2023 | Additions during the year | Deductions during the year | As at March 31, 2024 | As at April 01, 2023 | Depreciation for the year | Deductions during the year | As at March 31, 2024 | As at March 31, 2024 |
| Freehold land | 1,152.17 | - | - | 1,152.17 | - | - | - | - | 1,152.17 |
| Plant and machinery | 27,585.67 | 11.61 | - | 27,597.28 | 2,478.43 | 1,201.30 | - | 3,679.73 | 23,917.55 |
| Office equipment | - | 6.42 | - | 6.42 | - | 0.77 | - | 0.77 | 5.65 |
| **Total** | **28,737.84** | **18.03** | **-** | **28,755.87** | **2,478.43** | **1,202.07** | **-** | **3,680.50** | **25,075.37** |

As at March 31, 2023

| Particulars | Gross Block | | | | Accumulated depreciation | | | | Net carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2022 | Additions during the year | Deductions during the year | As at March 31, 2023 | As at April 01, 2022 | Depreciation for the year | Deductions during the year | As at March 31, 2023 | As at March 31, 2023 |
| Freehold land | 1,152.17 | - | - | 1,152.17 | - | - | - | - | 1,152.17 |
| Plant and machinery | 27,585.67 | - | - | 27,585.67 | 1,277.93 | 1,200.50 | - | 2,478.43 | 25,107.24 |
| **Total** | **28,737.84** | **-** | **-** | **28,737.84** | **1,277.93** | **1,200.50** | **-** | **2,478.43** | **26,259.41** |

Notes:

1 The Company has not revalued its Property, plant and equipment during the current or previous year.

2 The title deeds of immovable properties are held in the name of the Company during the current and previous year.

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**Note 7 : Other non-current financial assets**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Security deposit (Refer Note 33) | 0.04 | - |
| | 0.04 | - |

**Note 8 : Trade receivables**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables | | |
| Unsecured - Considered good | 2,269.63 | 2,065.79 |
| | 2,269.63 | 2,065.79 |

Note :

1 Refer Note 34 for credit risk related disclosures.

3 Refer Note 35 for ageing schedule of current trade receivables.

**Note 9 : Receivable from customer under Late payment surcharge scheme**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Receivable from customer under Late payment surcharge scheme | - | 2,008.32 |
| | - | 2,008.32 |

Note:

1 Ministry of Power vide Gazette Notification dated 3rd June' 2022, notified The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (the "LPS Rules"). The LPS Rules provide a mechanism for settlement of outstanding dues as on June 3, 2022 amounting to Rs. 6017 lacs into 12 interest free Equated Monthly Instalments (EMI).Entire amount has been received in June 2023 and no outstanding prevail as at March 31, 2024.

**Note 10 : Cash and cash equivalents**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balances with banks | | |
| Balance in current accounts | 41.27 | 56.11 |
| | 41.27 | 56.11 |

**Note 11 : Other current financial assets**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Security deposits | 0.10 | 1.60 |
| Other receivables (Refer note below) | - | 234.48 |
| | 0.10 | 236.08 |

Note:

1 The Company had received revised assessment order dated October 20, 2020, from the Commercial Taxes Department regarding alleged entry tax payable pursuant to the Telangana Tax on Entry of Goods into Local Areas Act, 2001. The EPC Contractor Sterling & Wilson Renewable Energy Limited (SWL) acknowledged its responsibility for the payment of any entry tax with respect to the project and filed an appeal with the Department against the demand order and deposited with it Rs. 234.48 lacs in the process. The Commercial Taxes-Department has issued a Refund Order for Rs. 217.77 lacs after deducting tax of Rs.16.71 lacs and the refund has been received dated August 14, 2023. The refund amount of Rs. 207.49 lacs (net of legal expenses amounting to Rs. 10.28 lacs incurred for the same) is payable to EPC contractor SWL and hence shown under Sundry Payables. (Refer Note 19)

**Note 12 : Current tax assets**

| | As at March 31, 2024 | As at<br>As at March 31, 2023 |
|---|---|---|
| Advance income tax | 4.79 | 13.68 |
| | 4.79 | 13.68 |

**Note 13 : Other current assets**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances for goods and services | 0.45 | - |
| Balances with government authorities | 2.28 | 2.64 |
| Prepaid expenses | 28.72 | 25.84 |
| | 31.45 | 28.48 |

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Note 14 : Equity share capital

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Authorised** | | |
| 300,000 (March 31,2023 : 3,00,000) equity shares of Rs. 10/- each | 30.00 | 30.00 |
| | 30.00 | 30.00 |
| **Issued, subscribed and paid up** | | |
| 61,250 (March 31,2023 : 45,494) equity shares of Rs. 10/- each | 6.13 | 4.55 |
| | 6.13 | 4.55 |

Notes:

1 **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :**

| | No. of shares as at March 31, 2024 | No. of shares as at March 31, 2023 |
|---|---|---|
| At the beginning of the year | 45,494 | 45,494 |
| Issued during the year on account of conversion of compulsory convertible debentures | 15,756 | - |
| Outstanding at the end of the year | 61,250 | 45,494 |

2 **Details of equity shares held by holding company and subsidiary of holding company :**

| | No. of shares as at March 31, 2024 | No. of shares as at March 31, 2023 |
|---|---|---|
| Torrent Power Limited (Jointly with nominees) | 61,250 | 45,494 |
| | 61,250 | 45,494 |

3 **Details of shareholders holding more than 5% shares in the Company :**

| Name of the Shareholder | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding |
| Torrent Power Limited (Jointly with nominees) | 61,250 | 100% | 45,494 | 100% |
| | 61,250 | 100% | 45,594 | 100% |

4 **Details of shareholding of Promoters in the Company :**

| Promoter | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Torrent Power Limited (Jointly with nominees) | 61,250 | 100% | - | 45,494 | 100% | - |

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 will declare and pay 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 shareholders.

6 **Aggregate number of equity shares allotted as fully paid pursuant to contract without payment being received in cash:**

During the year the company has allotted 15,756 equity shares of Rs. 10 per equity share to the holder of compulsory convertible debentures, without payment being received in cash.

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**Notes forming part of the financial statements for the year ended March 31, 2024**

**Note 15 : Other equity**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Reserves and surplus | | |
| Securities premium | **7,226.44** | 7,226.44 |
| Retained earnings | **6,229.57** | 4,357.21 |
| Capital contribution | **1,231.19** | 1,231.19 |
| | **14,687.20** | 12,814.84 |

Notes:

1 Securities premium :

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Retained earnings:

The retained earnings reflect the profit of the Company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

3. Capital Contribution:

The capital contribution represents the waiver of interest on Compulsorily Convertible Debenture by erstwhile shareholder of the company upto June 12, 2022.

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## Note 16 : Non-current borrowings

| | As at March 31, 2024 | (₹ in lacs) As at March 31, 2023 |
|---|---|---|
| **Unsecured loans - at amortised cost** | | |
| 8.50 % Loans from related parties | **6,161.51** | - |
| | **6,161.51** | - |

| | As at March 31, 2024 | (₹ in lacs) As at March 31, 2023 |
|---|---|---|
| **Current maturities** | | |
| **Unsecured loans - at amortised cost** | | |
| 8.50 % Loans from related parties (including interest accrued of Rs. 185.55 lacs as at March 31, 2024 and Nil as at March 31, 2023) | **3,385.55** | - |
| | **3,385.55** | - |
| Amount disclosed under the head 'Current Borrowings' [Refer note 17] | **(3,385.55)** | - |
| | - | - |

## Note 17 : Current borrowings

| | As at March 31, 2024 | (₹ in lacs) As at March 31, 2023 |
|---|---|---|
| UNSECURED LOANS | | |
| 8.50 % Loans from related parties (including interest accrued of Rs. 185.55 lacs as at March 31, 2024 and Nil as at March 31, 2023) | **3,385.55** | 15,261.51 |
| | **3,385.55** | 15,261.51 |

Note:

1 The company has obtained loan at 8.50% from Torrent Power Limited for payment to EPC contractor and working capital requirement which is repayable by FY 2026-27. (Rate of interest was 7.65% in FY 2022-23 and the loan was repayable on demand)

2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:

| Financial Year | As at March 31, 2024 | (₹ in lacs) As at March 31, 2023 |
|---|---|---|
| 2024-25 | 3,200.00 | - |
| 2025-26 | 3,200.00 | - |
| 2026-27 | 3,147.06 | - |

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**Net debt reconciliation :**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Cash and cash equivalents | **41.27** | 56.11 |
| Current borrowings | **(3,385.55)** | (15,261.51) |
| Non-current borrowings | **(6,161.51)** | - |
| | **(9,505.79)** | (15,205.40) |

| | Other assets | Liabilities from financing activities | | Total |
|---|---|---|---|---|
| | Cash and cash equivalents | Current borrowings | Non-current borrowings | |
| **Net balance as at April 01, 2023** | **56.11** | **(15,261.51)** | - | **(15,205.40)** |
| Cash flows (net) | (14.84) | 5,900.00 | - | 5,885.16 |
| Conversion of current borrowing into non-current due to change in terms | - | 6,161.51 | (6,161.51) | - |
| Interest expense | - | (972.26) | - | (972.26) |
| Interest paid (net) | - | 786.71 | - | 786.71 |
| **Net balance as at March 31, 2024** | **41.27** | **(3,385.55)** | **(6,161.51)** | **(9,505.79)** |
| **Net balance as at April 01, 2022** | **6,298.32** | - | **(2,933.89)** | **3,364.43** |
| Cash flows (net) | (6,242.21) | (15,261.51) | - | (21,503.72) |
| Interest expense (net) | - | (1,246.26) | (293.40) | (1,539.66) |
| Interest paid/ waived (net) | - | 1,246.26 | 373.29 | 1,619.55 |
| Conversion of CCD into equity | - | - | 2,854.00 | 2,854.00 |
| **Net balance as at March 31, 2023** | **56.11** | **(15,261.51)** | - | **(15,205.40)** |

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**Note 18 : Current trade payables**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade payables | | |
| Total outstanding dues of micro and small enterprises (Refer note 28) | **21.95** | 0.31 |
| Total outstanding dues other than micro and small enterprises | **31.89** | 35.61 |
| | **53.84** | 35.92 |

Note:

1. Refer note 36 for ageing schedule of current trade payables.

**Note 19 : Other current financial liabilities**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Payables for purchase of property, plant and equipment (Refer note below) | **6.31** | - |
| Sundry payables (Refer note 11) | **207.49** | 224.19 |
| | **213.80** | 224.19 |

Note:

1. Including dues to micro and small enterprises for Rs. 5.80 lacs and Rs. Nil as at March 31, 2024 and March 31, 2023.(Refer note 28)

**Note 20 : Other current liabilities**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Statutory dues | **20.89** | 41.92 |
| Sundry payables* | **0.00*** | 0.00* |
| | **20.89** | 41.92 |

* Interest due to Micro and Small enterprises of ₹ 0.01 lacs and ₹ 73/- as at March 31, 2024 and March 31, 2023 respectively.

**Note 21 : Current provisions**

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for contingency | **-** | 25.58 |
| | **-** | 25.58 |

Note:

1 The stamping of shares and Compulsorily Convertible Debentures certificates are received from the Stamp Authorities. The stamp duty and penalty charged amounts to Rs. 8.96 lacs. Hence the amount of Rs. 16.62 lacs of provision for contingency has been reversed as the same is no longer required. (Refer Note 23)

**Movement in provisions :**

| | |
|---|---|
| **Opening balance as on April 01, 2023** | **25.58** |
| **Charged/ credited to profit and loss:** | - |
| Unused amounts reversed | (16.62) |
| Amounts paid during the year | (8.96) |
| **Closing balance as on March 31, 2024** | - |

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Notes forming part of the financial statements for the year ended March 31, 2024

## Note 22 : Revenue from operations

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Revenue from contracts with customers [Refer Notes below] | | |
| Revenue from power supply | 5,099.23 | 5,150.38 |
| | 5,099.23 | 5,150.38 |
| Other operating income | | |
| Insurance claim receipt | 59.42 | - |
| | 59.42 | - |
| | 5,158.65 | 5,150.38 |

Notes:

1 Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.

## Note 23 : Other income

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest income from financial assets at amortised cost | | |
| Deposits | 0.20 | 114.50 |
| Income tax refund | 0.71 | 1.39 |
| | 0.91 | 115.89 |
| Liabilities written back | 16.62 | 4.98 |
| | 17.53 | 120.87 |

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## Note 24 : Finance costs

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest expense for financial liabilities classified as amortised cost | | |
| Compulsory Convertible Debentures (Refer Note 33) | - | 293.40 |
| Loan from related party (Refer Note 33) | 972.26 | 1,246.26 |
| Other interest expense | 0.08 | - |
| Other borrowing costs (Refer Note 33) | 0.18 | - |
| | 972.52 | 1,539.66 |

## Note 25 : Depreciation expense

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Depreciation expense on property, plant and equipment | 1,202.07 | 1,200.50 |
| | 1,202.07 | 1,200.50 |

## Note 26 : Other expenses

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Rent expense (Refer Note 33) | 0.34 | - |
| Repairs to Plant and machinery | 323.24 | 231.13 |
| Repairs- Others | - | 20.89 |
| | 323.24 | 252.02 |
| Insurance | 42.72 | 55.44 |
| Rates and taxes | 9.82 | 9.99 |
| Vehicle running expenses | 7.77 | 4.27 |
| Power transmission and scheduling charges | 18.71 | 10.36 |
| Corporate social responsibility expenses [Refer note 30] | 40.36 | 32.15 |
| Auditors remuneration [Refer note 29] | 3.84 | 3.54 |
| Legal, professional and consultancy fees | 41.50 | 38.11 |
| Net loss on foreign currency transactions | - | 1,032.67 |
| Advances written off (net of recovery) | - | 12.80 |
| Miscellaneous expenses | 4.98 | 39.89 |
| | 493.28 | 1,491.24 |

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## Note 27: Income tax expense

### (a) Income tax expense recognised in statement of profit and loss

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | - | - |
| | - | - |
| **Deferred tax (other than that disclosed under OCI)** | | |
| Decrease / (increase) in deferred tax assets | 499.63 | 99.44 |
| (Decrease) / increase in deferred tax liabilities | 136.32 | 166.67 |
| | 635.95 | 266.11 |
| **Income tax expense** | 635.95 | 266.11 |

### (b) Reconciliation of income tax expense

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Profit before tax | 2,508.31 | 1,039.85 |
| Expected income tax expense calculated using tax rate at 25.168% (Previous year - 25.168%) | 631.29 | 261.71 |
| **Adjustment to reconcile expected income tax expense to reported income tax expense:** | | |
| Effect of: | | |
| Expenditure not deductible under Income Tax Act | 10.18 | - |
| Expenditure deductible under Income Tax Act | (5.51) | - |
| Others | (0.01) | 4.40 |
| **Total expense as per statement of profit and loss** | 635.95 | 266.11 |

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

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Note 27: Income tax expense (Contd.)

(c) Deferred tax balances

(1) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Deferred tax assets | **2,468.28** | 2,967.91 |
| Deferred tax liabilities | **(5,362.01)** | (5,225.69) |
| | **(2,893.73)** | (2,257.78) |

(2) Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2024

(₹ in lacs)

| | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment | (5,225.69) | (136.32) | - | (5,362.01) |
| **Total** | **(5,225.69)** | **(136.32)** | - | **(5,362.01)** |
| **Deferred tax assets** | | | | |
| Unabsorbed Depreciation | 2,967.91 | (499.63) | - | 2,468.28 |
| **Total** | **2,967.91** | **(499.63)** | - | **2,468.28** |
| | **(2,257.78)** | **(635.95)** | - | **(2,893.73)** |

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2023

(₹ in lacs)

| | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment | (6,029.43) | 803.74 | - | (5,225.69) |
| Total | (6,029.43) | 803.74 | - | (5,225.69) |
| **Deferred tax assets** | | | | |
| Unabsorbed Depreciation | 3,066.00 | (98.09) | - | 2,967.91 |
| Liability component of Compound financial instrument | 739.35 | (1.35) | (738.00) | - |
| Total | 3,805.35 | (99.44) | (738.00) | 2,967.91 |
| | (2,224.08) | 704.30 | (738.00) | (2,257.78) |

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## Note 28: Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in lacs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Principal amount remaining unpaid [Refer notes 18 and 19] | **27.75** | 0.31 |
| (b) | Interest due thereon | - | - |
| (c) | The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | | |
| | (i) Principal amounts paid to the suppliers beyond the appointed day during the year | **8.36** | 4.39 |
| | (ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year | **0.05** | 0.10 |
| (d) | The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | **0.01** | 0.00# |
| (e) | The amount of interest accrued and remaining unpaid [b+d] | **0.01** | 0.00 |
| (f) | The amount of further interest due and payable even in the succeeding years, 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. | - | - |

# The amount of interest accrued and remaining unpaid is Rs. 73/- as at March 31, 2023.

## Note 29: Auditors remuneration

(₹ in lacs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| As audit fees (including taxes) | **3.84** | 3.54 |
| | **3.84** | 3.54 |

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**Note 30: Corporate Social Responsibility (CSR) expenditure**

(₹ in lacs)

| | | | |
|---|---|---|---|
| (a) | Amount required to be spent by the company during the year | **40.36** | 32.15 |
| (b) | Amount of expenditure incurred | | |
| | (i) Construction / acquisition of any asset | | |
| | (ii) On purposes other than (i) above | **40.36** | 32.15 |
| (c) | Shortfall at the end of the year | **-** | - |
| (d) | Total of previous years shortfall | **-** | 25.33* |
| (e) | Reason for shortfall | **Not Applicable** | Not Applicable |
| (f) | Nature of CSR activities | **Reach Project Community Healthcare (promoting healthcare including preventive healthcare)** | Reach Project Community Healthcare (promoting healthcare including preventive healthcare) |
| (g) | Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure | | |
| | (i) UNM Foundation | **40.36** | 32.15 |
| | | **40.36** | 32.15 |
| (h) | Provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision as below : | | |
| | At the beginning of the year | **-** | 25.33* |
| | Add : provision made during the year | **-** | 32.13 |
| | less : Utilisation during the year | **-** | (57.46) |
| | At the end of the year | **-** | - |

*Unspent amount of Rs. 25.33 lacs as at March 31,2022 was not transferred to a specified fund but has been utilized within 6 months from the end of financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

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### Note 31: Earnings per share

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Basic earnings per share (₹) | **3,056.92** | 3,818.02 |
| Diluted earnings per share (₹) | **3,056.92** | 3,314.89 |

**Basic and diluted earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Profit for the year used in calculation of basic earning per share (₹ in lacs) | **1,872.36** | 1,736.97 |
| Weighted average number of equity shares (Nos) | **61,250** | 45,494 |
| Nominal value of shares (Rs.) | **10** | 10 |

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Profit for the year used in calculation of diluted earning per share (₹ in lacs) | **1,872.36** | 2,030.37 |
| Weighted average number of equity shares (Nos) | **61,250** | 61,250 |
| Nominal value of shares (Rs.) | **10** | 10 |

### Note 32: Operating segments

The Company's chief operating decision maker (CODM) assesses the financial performance and position of the company and makes strategic decisions. The Company is engaged in the business of generation and supply of Solar power. The Company does not have any reportable segments as per Indian Accounting Standard 108 "Operating Segments".The company operates through a single geographic location in Telangana Hyderabad, India. The Company's only customer is Northern Power Distribution Company of Telangana Limited.

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**Note 33: Related party disclosures**

**(a) Names of related parties and description of relationship:**

| | | |
|---|---|---|
| 1 | **Parent Company** | Torrent Power Limited (w.e.f June 13, 2022))<br>SkyPower Southeast Asia III Investments Ltd. (upto June 12, 2022)<br>SkyPower Southeast Asia Holdings II Ltd (upto June 12, 2022) |
| 2 | **Entities having joint control over the ultimate parent company** | Mehta Family Trust 1, Mehta Family Trust 2, Mehta Family Trust 3, Mehta Family Trust 4 |
| 3 | **Ultimate Parent Company** | Torrent Investments Private Limited (w.e.f June 13, 2022)<br>SkyPower Holding LLC (upto June 12, 2022) |
| 4 | **Other entity where parent entity has 50% voting rights** | UNM Foundation (w.e.f June 13, 2022)<br>SkyPower Services ULC (upto June 12, 2022)<br>SkyPower Solar India Pvt. Ltd.(upto June 12, 2022)<br>SurajKiran Renewable Resources Private Limited (upto June 12, 2022)<br>SkyPower Southeast Asia II Investments Ltd. (upto June 12, 2022)<br>SkyPower Southeast Asia Holdings Ltd (upto June 12, 2022) |
| 5 | **Key Managerial Personnel** | Jigish Mehta (w.e.f June 13, 2022)<br>Nisarg Shah (w.e.f June 13, 2022)<br>Naresh Joshi(w.e.f June 13, 2022)<br>Kerry Evan Adler (till June 12, 2022)<br>Rajib Mukhapadhyay (till June 12, 2022)<br>Mehbub Sadruddin Kapadia (till June 12, 2022) |

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**Note 33: Related party disclosures (Contd.)**

**(b) Related party transactions** (₹ in lacs)

| Particulars | Parent company | | Other entity where parent entity has 50% voting rights | | Total | |
|---|---|---|---|---|---|---|
| | **Year ended** | Year ended | **Year ended** | Year ended | **Year ended** | Year ended |
| | **31.03.24** | 31.03.23 | **31.03.24** | 31.03.23 | **31.03.24** | 31.03.23 |
| **Nature of transactions** | | | | | | |
| **Interest Expense on loan** | **972.26** | **1,246.26** | **-** | **-** | **972.26** | **1,246.26** |
| Torrent Power Limited | 972.26 | 1,246.26 | - | - | 972.26 | 1,246.26 |
| **Interest Expense on Compulsorily convertible debentures** | **-** | **293.40** | **-** | **-** | **-** | **293.40** |
| Torrent Power Limited | - | 293.40 | - | - | - | 293.40 |
| **Interest payment on Compulsorily convertible debentures** | **-** | **298.00** | **-** | **-** | **-** | **298.00** |
| Torrent Power Limited | - | 298.00 | - | - | - | 298.00 |
| **Bank guarantee charges** | **0.18** | **-** | **-** | **-** | **0.18** | **-** |
| Torrent Power Limited | 0.18 | - | - | - | 0.18 | - |
| **Bank guarantee issued** | **16.88** | **-** | **-** | **-** | **16.88** | **-** |
| Torrent Power Limited | 16.88 | - | - | - | 16.88 | - |
| **Rent paid** | **0.34** | **-** | **-** | **-** | **0.34** | **-** |
| Torrent Power Limited | 0.34 | - | - | - | 0.34 | - |
| **Rent deposit given** | **0.04** | **-** | **-** | **-** | **0.04** | **-** |
| Torrent Power Limited | 0.04 | - | - | - | 0.04 | - |
| **Loan repayment** | **5,950.00** | **12,641.00** | **-** | **-** | **5,950.00** | **12,641.00** |
| Torrent Power Limited | 5,950.00 | 12,641.00 | - | - | 5,950.00 | 12,641.00 |
| **Loan received** | **50.00** | **27,903.00** | **-** | **-** | **50.00** | **27,903.00** |
| Torrent Power Limited | 50.00 | 27,903.00 | - | - | 50.00 | 27,903.00 |

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Sunshakti Solar Power Projects Private Limited

**Sunshakti Solar Power Projects Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2024**
**Note 33: Related party disclosures (Contd.)**

**(b) Related party transactions**

(₹ in lacs)

| Particulars | Parent company | | Other entity where parent entity has 50% voting rights | | Total | |
|---|---|---|---|---|---|---|
| | **Year ended 31.03.24** | Year ended 31.03.23 | **Year ended 31.03.24** | Year ended 31.03.23 | **Year ended 31.03.24** | Year ended 31.03.23 |
| **Conversion of Compulsory convertible Debenture into Equity share capital** | **-** | **3,411.00** | **-** | **-** | **-** | **3,411.00** |
| Torrent Power Limited | - | 3,411.00 | - | - | - | 3,411.00 |
| **Fractional shares payment** | **-** | **0.07** | **-** | **-** | **-** | **0.07** |
| Torrent Power Limited | - | 0.07 | - | - | - | 0.07 |
| **Corporate Social Responsibility** | **-** | **-** | **40.36** | **32.15** | **40.36** | **32.15** |
| UNM Foundation | - | - | 40.36 | 32.15 | 40.36 | 32.15 |

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Notes forming part of the financial statements for the year ended March 31, 2024
Note 33: Related party disclosures (Contd.)

(c) Related party balances

(₹ in lacs)

| Particulars | Parent Company | | Other entity where parent entity has 50% voting rights | | Total | |
|---|---|---|---|---|---|---|
| | **As at 31.03.24** | As at 31.03.23 | **As at 31.03.24** | As at 31.03.23 | **As at 31.03.24** | As at 31.03.23 |
| **Balances at the end of the year** | | | | | | |
| **Rent deposit given** | **0.04** | - | - | - | **0.04** | - |
| Torrent Power Limited | 0.04 | - | - | - | 0.04 | - |
| **Bank guarantee issued** | **16.88** | - | - | - | **16.88** | - |
| Torrent Power Limited | 16.88 | - | - | - | 16.88 | - |
| **Loan Outstanding** | **9,547.06** | **15,261.51** | - | - | **9,547.06** | **15,261.51** |
| Torrent Power Limited | 9,547.06 | 15,261.51 | - | - | 9,547.06 | 15,261.51 |

**(d) Terms and conditions of outstanding balances**

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured.

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Sunshakti Solar Power Projects Private Limited

## Note 34: Financial instruments and risk review

### (a) Capital management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 14,15) and debt (borrowings as detailed in note 16 and 17).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

**Gearing ratio**

The gearing ratio at end of the reporting period is as follows.

(₹ in lacs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Debt | 9,547.06 | 15,261.51 |
| Total equity | 17,587.06 | 15,078.75 |
| Debt to equity ratio | 0.54 | 1.01 |

Notes :

1 Debt is defined as all long term debt outstanding (including unamortised expense) + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities

**Loan Covenants**

The company has complied with financial covenants specified as per the terms of borrowing facilities.

### (b) Categories of financial instruments

(₹ in lacs)

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Carrying value | Fair value | Carrying value | Fair value |
| **Financial assets** | | | | |
| Measured at amortised cost | | | | |
| Non current financial assets | 0.04 | 0.04 | - | - |
| Other financial assets | 0.10 | 0.10 | 236.08 | 236.08 |
| Cash and cash equivalents | 41.27 | 41.27 | 56.11 | 56.11 |
| Trade receivables | 2,269.63 | 2,269.63 | 2,065.79 | 2,065.79 |
| Receivable from customer under Late payment surcharge scheme | - | - | 2,008.32 | 2,008.32 |
| | 2,311.04 | 2,311.04 | 4,366.30 | 4,366.30 |
| **Financial liabilities** | | | | |
| Measured at amortised cost | | | | |
| Borrowings | 9,547.06 | 9,547.06 | 15,261.51 | 15,261.51 |
| Trade payables | 53.84 | 53.84 | 35.92 | 35.92 |
| Other financial liabilities | 213.80 | 213.80 | 224.19 | 224.19 |
| | 9,814.70 | 9,814.70 | 15,521.62 | 15,521.62 |

Notes:

1 The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

### (c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

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

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

**(1) Financial liabilities at amortised cost**

(₹ in lacs)

| | Fair value As at March 31, 2024 | As at March 31, 2023 | Fair value hierarchy |
|---|---|---|---|
| Floating rate borrowings | 9,547.06 | 15,261.51 | Level 2 |
| | 9,547.06 | 15,261.51 | |

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**Note 34: Financial instruments and risk review (contd.)**

**(d) Financial risk management objectives**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

**Interest rate risk**

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Corporate deposit rates of Financial Benchmarks India Pvt. Ltd. (FBIL). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in lacs)

| | **As at March 31, 2024** | As at March 31, 2023 |
|---|---|---|
| Fixed rate borrowings^ | - | - |
| Floating rate borrowings^ | **9,547.06** | 15,261.51 |
| | **9,547.06** | 15,261.51 |

^ Transactions cost reduced from the borrowing is excluded.

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit before tax .

(₹ in lacs)

| | **Year ended March 31, 2024** | Year ended March 31, 2023 |
|---|---|---|
| Impact on profit before tax - increase in 50 basis points | (47.74) | (76.31) |
| Impact on profit before tax - decrease in 50 basis points | 47.74 | 76.31 |

**Credit risk**

Trade receivables:

(1) Exposures to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to the credit risk arising from the possibility that counterparties (primarily trade receivable, suppliers etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and the cost of substituting products that are not supplied.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The credit risk is limited as the revenue and collection are from Northern Power Distribution Company of Telangana Limited which is a Government undertaking.

(3) Other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(4) Age of receivables and expected credit loss

The entity is engaged in the business of generation of solar power. Revenue from sale of electricity generated from the solar power is being supplied only to Transmission Corporation of Telangana Limited (TRANSCO) which is a government of Telangana undertaking, under Power Purchase Agreement, which is the only customer of the Company and governed under The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" ('LPS Rules') which provide a mechanism for settlement of outstanding dues of Generating Companies.

Based on an analysis of past trends of recovery and current year mechanism of settlement of receivable under LPS Rules, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Company does not recognise any impairment loss on its receivables.

The age of receivables and provision matrix at the end of the reporting period is as follows.

**As at March 31, 2024**

(₹ in lacs)

| | **Gross trade receivables** | **Allowance for doubtful debt** |
|---|---|---|
| Less than or equal to 6 months | **1,719.72** | - |
| More than 6 months but less than or equal to 1 year | - | - |
| More than one year | **549.91** | - |
| | **2,269.63** | - |

**As at March 31, 2023**

(₹ in lacs)

| | Gross trade receivables | Allowance for doubtful debt |
|---|---|---|
| Less than or equal to 6 months | 2,065.79 | - |
| More than 6 months but less than or equal to 1 year | - | - |
| More than one year | - | - |
| | 2,065.79 | - |

## Note 34: Financial instruments and risk review (Contd.)

**Other financial assets**

The company is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities:

The Company's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**As at March 31, 2024**

(₹ in lacs)

| | Less than 1 year | Between 1 year and 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Non current financial liabilities | | | | |
| Borrowings (including interest on borrowings) | - | 6,161.51 | - | 6,161.51 |
| | - | 6,161.51 | - | 6,161.51 |
| Current financial liabilities | | | | |
| Borrowings | 3,385.55 | - | - | 3,385.55 |
| Trade payables | 53.84 | - | - | 53.84 |
| Other financial liabilities | 213.80 | - | - | 213.80 |
| | 3,653.19 | - | - | 3,653.19 |
| Total financial liabilities | 3,653.19 | 6,161.51 | - | 9,814.70 |

As at March 31, 2023

(₹ in lacs)

| | Less than 1 year | Between 1 year and 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Current financial liabilities | | | | |
| Borrowings | 15,261.51 | - | - | 15,261.51 |
| Trade payables | 35.92 | - | - | 35.92 |
| Other financial liabilities (including interest) | 224.19 | - | - | 224.19 |
| | 15,521.62 | - | - | 15,521.62 |
| Total financial liabilities | 15,521.62 | - | - | 15,521.62 |

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Notes forming part of the financial statements for the year ended March 31, 2024

Note 35: Ageing schedule for Trade Receivables (Current)

As at March 31, 2024

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed Trade receivables | | | | | | | |
| | 944.37 | 775.35 | - | 549.91 | - | - | 2,269.63 |
| | | | | | | | |
| Total | 944.37 | 775.35 | - | 549.91 | - | - | 2,269.63 |

As at March 31, 2023

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed Trade receivables | | | | | | | |
| - considered good | 1,151.13 | 914.66 | - | - | - | - | 2,065.79 |
| | | | | | | | |
| Total | 1,151.13 | 914.66 | - | - | - | - | 2,065.79 |

(* include Rs. 492.37 lacs (Rs. 594.29 lacs of March 31, 2023) billed subsequent to year end.)

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## Note 36: Ageing schedule for Trade Payables (Current)

As at March 31, 2024

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed dues | | | | | | | |
| - Micro and small enterprises | 20.28 | 1.67 | - | - | - | - | 21.95 |
| - Others | 11.01 | 20.88 | - | - | - | - | 31.89 |
| | | | | | | | |
| Total | 31.29 | 22.55 | - | - | - | - | 53.84 |

As at March 31, 2023

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed dues | | | | | | | |
| - Micro and small enterprises | 0.31 | - | - | - | - | - | 0.31 |
| - Others | 35.61 | - | - | - | - | - | 35.61 |
| | | | | | | | |
| Total | 35.92 | - | - | - | - | - | 35.92 |

Sunshakti Solar Power Projects Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024

Note 37: Financial Ratios

| Particulars | As at March 31, 2024 | As at March 31, 2023 | Variance (%) | Remarks for variation more than 25% |
|---|---|---|---|---|
| (a) Current Ratio | **0.64** | 0.28 | 125.08% | Major increase due to change in terms of borrowings during the current year |
| (b) Debt-Equity Ratio | **0.54** | 1.01 | -46.37% | Major decrease due to reduction in debt and increase in retained earnings |
| (c) Debt Service Coverage Ratio | **0.45** | 0.22 | NA | - |
| (d) Return on Equity Ratio | **13.61%** | 16.00% | -14.93% | - |
| (e) Trade Receivables turnover Ratio | **2.39** | 1.19 | 99.84% | Major change due to early receipts due to introduction of LPS scheme |
| (f) Trade Payables turnover Ratio | **10.99** | 10.18 | 7.94% | Due to decrease in expense as well as payable cycle |
| (g) Net capital turnover Ratio | **(3.89)** | (0.46) | 741.73% | Major increase due to change in terms of borrowings during the current year |
| (h) Net profit Ratio | **36.18%** | 33.73% | 7.28% | - |
| (i) Return on Capital employed | **12.83%** | 8.50% | 50.89% | Due to increase in earnings and reduction in debt |
| (j) Return on investment | **11.98%** | 7.23% | 65.72% | The profits have been increased considerably due to one time forex loss of Rs.1032.67 lacs in FY 22-23 |

**Explanations to items included in computing the above ratios:**

a) Current Ratio : Current Asset over Current Liabilities
b) Debt Equity Ratio : Debt (includes borrowings) over Total Shareholder's Equity (including Reserves and Surplus)
c) Debt Service Coverage Ratio: Earning available for debt Service over total debt
d) Return on Equity Ratio : Profit After Tax over Average Equity (including Reserves and Surplus)
e) Trade Receivable Turnover Ratio : Revenue from operations over average trade receivables
f) Trade Payable Turnover Ratio : Other expenses over average trade payables
g) Net Capital Turnover Ratio: Revenue from operations over working capital
h) Net Profit Ratio: Net profit over Revenue from operations
i) Return on Capital Employed : Earning before Interest and Tax over capital employed (Capital employed includes Total Share Holders Equity and Debt)
j) Return on investment: Profit before tax+Finance Cost over Average total assets

**Note :**Inventory turnover ratio is not applicable to the company.

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**Sunshakti Solar Power Projects Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2024**

**Note 38: Additional regulatory information required by Schedule III**

(1) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2024 and March 31, 2023.

(2) There are no charges or satisfactions which were registered with the Registrar of Companies beyond the statutory period during the year ended March 31, 2024 and March 31, 2023.

(3) The Company is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2024 and March 31, 2023.

(4) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

(5) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2024 and March 31, 2023.

(6) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 and March 31, 2023.

(7) The Company has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2024 and March 31, 2023.

(8) During the year ended March 31, 2024 and March 31, 2023, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(9) During the year ended March 31, 2024 and March 31, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended March 31, 2024 and March 31, 2023, the Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) 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
b) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

(10) The company has not been sanctioned any working capital limits from banks or financial institutions during the year ended March 31,2024 and March 31, 2023.

(11) The Company has not granted any loans or advances in nature of loans to promoters/directors/KMPs/Related parties (as defined under the Companies Act, 2013) for the year ended March 31, 2024 and March 31, 2023.

(12) The Company has not acquired any borrowings from banks or financial institutions. The borrowings from holding company have been applied for the purpose of which it has been obtained.

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Sunshakti Solar Power Projects Private Limited

**Note 39: Management note on audit trail**

The company has been using SAP ERP as a book of accounts. While SAP audit logging has been enabled from the beginning of the year and captures all the changes made in the audit log as per SAP note no 3042258 version 7 dated 6*th* March 2024. However, changes made using certain privileged access does not capture "old value" and "new value" of changes made. After thorough testing and validation of tolerable impact on performance of SAP system, the audit trail at Database level was configured on 27*th* March 2024. As a part of privileged access management, the company has implemented ARCON make PAM (Privileged Access Management System) suite. This PAM system provides access based on need/approval and does the video recording of all activities carried out by privileged user. However due to standard database functionality of HANA DB, while changes made are logged in the database, it does not capture "old value" and "new value" of changes made. This is SAP related issue and management is working towards resolving the same with the vendor.

**Note 40: Approval of financial statements**

The financial statements were approved for issue by the board of directors on May 16, 2024.

Signature to Note 1 to 40

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number : 012754N/N500016

**Viren Shah**
Partner
Membership No.: 046521

Place: Ahmedabad
Date: May 16, 2024

For and on behalf of the Board of Directors

**Jigish Mehta**
Director
DIN : 09054778

Place: Ahmedabad
Date: May 16, 2024

**Nisarg Shah**
Director
DIN : 08812336

Place: Ahmedabad
Date: May 16, 2024

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