



**Bharat J. Rughani & Co.**

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
GK Energy Private Limited  
(formerly GK Energy Marketers Private Limited)

### Report on the Audit of the Special Purpose Standalone Interim Financial Statements

#### 1. Opinion

We have audited the accompanying special purpose standalone interim financial statements of GK Energy Private Limited (formerly known as GK Energy Marketers Private Limited) CIN:-U74900PN2008PTC132926, which comprise the Special Purpose Standalone Balance Sheet as at September 30, 2024 and September 30, 2023, the Special Purpose Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Standalone Statement of Cash Flows and the Special Purpose Standalone Statement of Changes in Equity for the six month period ended on that date, and notes to the special purpose Standalone interim financial statements, including a summary of material accounting policies and other explanatory information (the "Special Purpose Standalone Interim Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Interim Financial Statements is prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Special Purpose Standalone Interim Financial Statements.

#### 2. Basis for Opinion

We conducted our audit of the Special Purpose Standalone Interim Financial Statements in accordance with the Standards on Auditing ("SA"s) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Standalone Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone Interim Financial Statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Standalone Interim Financial Statements.

#### 3. Emphasis of Matter

##### Basis of preparation and restriction on distribution and use

We draw attention to Note No 2 to the Special Purpose Interim Financial Statements, which describes the basis of preparation. As explained therein, these Special Purpose Interim



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Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the Company and an offer for sale of equity shares by certain existing shareholders by way of an initial public offering in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"). Accordingly, the attached Special Purpose Interim Financial Statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.

#### **4. Responsibilities of Management and Those Charged with Governance for the Special Purpose Standalone Interim Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Standalone Interim Financial Statements in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Standalone Interim Financial Statements for the purpose set out in Emphasis of Matter - "Basis of preparation and restriction on distribution and use" paragraph above.

The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Special Purpose Standalone Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial statements by the Directors of the company, as aforesaid.

In preparing the Special Purpose Standalone Interim Financial Statements, the Management and the Board of Directors of the company are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company are also responsible for overseeing the financial reporting process of the company.

#### **5. Auditor's Responsibility for the Audit of the Special Purpose Standalone Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Interim 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 and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and



are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Standalone Interim Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Standalone Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal financial controls of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Standalone Interim Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Standalone Interim Financial Statements, including the disclosures, and whether the Special Purpose Standalone Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Standalone Interim Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Standalone Interim Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Standalone Interim Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Special Purpose Standalone Interim Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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The Special Purpose Ind AS Financial Statements cannot be referred to or distributed or included in any offer document or used for any other purpose except with our prior consent in writing.

**For Bharat J. Rughani & Co.**  
**Chartered Accountants**  
**FRN: 101220 W**



**CA Akash Rughani**  
**Partner**  
**Membership No: 139664**  
**UDIN: 24139664BKEPYA2614**  
**Place: Pune**  
**Date: November 29, 2024**

SPECIAL PURPOSE IND AS BALANCE SHEET AS AT SEPTEMBER 30, 2024

(₹ in millions)

Shareholders' Funds	Note No.	As at	
		September 30, 2024	September 30, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment and intangible assets			
Property, plant and equipment	3a	136.50	77.60
Right to use of asset	3b	1.68	-
Intangible assets	3c	-	0.01
Capital work-in-progress	3d	-	7.17
Financial assets			
Other financial assets	4	181.08	88.65
<b>Total non-current assets</b>		<b>319.26</b>	<b>173.43</b>
<b>Current assets</b>			
Inventories	5	482.50	174.83
Financial assets			
Trade receivables	6	3,128.34	754.68
Cash and cash equivalents	7	9.90	7.49
Other bank balances	8	413.47	17.79
Other financial assets	9	31.96	12.62
Other current assets	10	87.66	89.81
<b>Total current assets</b>		<b>4,153.83</b>	<b>1,057.22</b>
<b>TOTAL ASSETS</b>		<b>4,473.09</b>	<b>1,230.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11a	13.00	13.00
Other equity	11b	1,057.31	246.68
		<b>1,070.31</b>	<b>259.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12	329.51	56.92
Lease Liability	13	1.31	-
Other financial liabilities	14	11.85	11.85
Deferred tax (Net)	15	8.69	7.15
Provisions	16	1.41	-
Other non-current liabilities	17	5.86	9.99
<b>Total non-current liabilities</b>		<b>358.63</b>	<b>85.91</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	1,699.93	336.89
Lease Liability	19	0.39	-
Trade payables			
Dues of micro and small enterprise	20	65.56	27.10
Other than dues of micro and small enterprise	20	667.38	453.62
Other financial liabilities	21	396.54	46.30
Provisions	22	156.28	3.57
Other current liabilities	23	58.07	17.58
<b>Total current liabilities</b>		<b>3,044.15</b>	<b>885.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,473.09</b>	<b>1,230.65</b>

Summary of significant accounting policies.

The notes are an integral part of these special purpose financial statement.

For Bharat J. Rughani & Co  
Chartered Accountants  
Firm Registration No: 101220W

For and on Behalf of the Board of Directors  
of GK Energy Private Limited  
(Formerly GK Energy Marketers Private Limited)

Sd/-  
CA Akash Bharat Rughani  
Partner  
Membership No. 139664  
Date : - 29th November 2024  
Place :- Pune  
UDIN: 24139664BKPEYA2614

Sd/-  
Gopal Kabra  
Director  
DIN: 02343128  
Place :- Pune

Sd/-  
Mehul Ajit Shah  
Director  
DIN: 03508348  
Place :- Pune

Sd/-  
Sunil Kamalkishor Malu  
Chief Financial Officer  
Place :- Pune

Sd/-  
Jeevan Santoshkumar Innani  
Company Secretary  
Place :- Pune

SPECIAL PURPOSE IND AS STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

Particulars	Note No.	₹ in millions	
		Six months ended September 30, 2024	Six months ended September 30, 2023
<b>INCOME</b>			
Revenue from operations	24	4,219.29	1,759.83
Other income	25	16.98	4.50
<b>Total income</b>		<b>4,236.27</b>	<b>1,764.33</b>
<b>EXPENSES</b>			
Cost of goods sold	26	2,795.77	1,536.01
Changes in inventories	27	-	(5.99)
Purchases of stock in trade		6.88	2.84
Employee benefit expenses	28	78.06	32.88
Finance cost	29	87.18	25.37
Depreciation and amortization	3	5.77	2.68
Other expenses	30	555.64	87.88
<b>Total expenses</b>		<b>3,529.30</b>	<b>1,681.67</b>
<b>Profit / (loss) before tax</b>		<b>706.97</b>	<b>82.66</b>
<b>Tax expenses</b>			
Current tax		178.92	20.69
Deferred tax charge / (credit)		1.75	0.97
Earlier year adjustments		15.51	-
<b>Total tax expenses</b>		<b>196.18</b>	<b>21.66</b>
<b>Profit for the period / year</b>		<b>510.79</b>	<b>61.00</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		0.08	-
Income tax relating to items that will not be reclassified to profit or loss		(0.02)	-
<b>Total other comprehensive income (net of tax)</b>		<b>0.06</b>	<b>-</b>
<b>Comprehensive income for the period / year</b>		<b>510.73</b>	<b>61.00</b>
<b>Earning per equity share (EPS)</b>			
Basic [nominal value of ₹ 10/- each]		392.87	46.92
Diluted [nominal value of ₹ 10/- each]		392.87	46.92

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements

For Bharat J. Rughani & Co  
Chartered Accountants  
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For and on Behalf of the Board of Directors  
of GK Energy Private Limited  
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Sd/-  
CA Akash Bharat Rughani  
Partner  
Membership No. 139664  
Date : - 29th November 2024  
Place :- Pune  
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Gopal Kabra  
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DIN: 02343128  
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Place :- Pune

Sd/-  
Sunil Kamalkishor Malu  
Chief Financial Officer  
Place :- Pune

Sd/-  
Jeevan Santoshkumar Innani  
Company Secretary  
Place :- Pune

SPECIAL PURPOSE IND AS STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	706.97	82.66
<b>Non-cash / other adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization	5.77	2.68
Sundry balances written off	-	0.80
Changes in lease liabilities	(0.07)	-
Finance cost	87.18	25.37
Interest income	(16.80)	(4.50)
<b>Operating profit before working capital changes</b>	<b>783.05</b>	<b>107.01</b>
<b>Movements in working capital</b>		
Increase / (decrease) in other financial liabilities - non-current	-	8.90
Increase / (decrease) in other provisions non-current	0.15	-
Increase / (decrease) in trade payables	66.19	(289.78)
Increase / (decrease) in other financial liabilities current	305.12	45.27
Increase / (decrease) in other liabilities current	(47.14)	5.89
Increase / (decrease) in provisions current	-	-
Decrease / (increase) in other financial assets non-current	(78.79)	(50.09)
Decrease / (increase) in inventories	(284.87)	(55.76)
Decrease / (increase) in other bank balances	(323.24)	17.21
Decrease / (increase) in trade receivables and other assets	(1,609.18)	371.75
Decrease / (increase) in other financial assets current	(20.56)	(1.37)
Decrease / (increase) in other current assets	18.21	(58.41)
<b>Cash generated from / (used in) operations</b>	<b>(1,191.06)</b>	<b>100.62</b>
Direct taxes paid (net of refunds)	(100.32)	(17.12)
<b>Net cash flow from / (used in) operating activities (a)</b>	<b>(1,291.38)</b>	<b>83.50</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(36.59)	(27.66)
Interest received	16.80	4.50
<b>Net cash flow from / (used in) investing activities (b)</b>	<b>(19.79)</b>	<b>(23.16)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares	-	-
Proceeds from securities premium	-	-
Proceeds from long-term borrowings	208.47	2.20
(Repayment) of long-term borrowings	(41.38)	(6.40)
Proceeds from short-term borrowings	1,455.00	-
(Repayment) of short-term borrowings	(215.52)	(28.12)
Proceeds from loan from related parties	(4.52)	(1.87)
(Repayment) of loan from related parties	(0.50)	-
Increase / (decrease) in lease liabilities	(0.14)	-
Finance cost	(87.18)	(25.37)
<b>Net cash flow from / (used in) in financing activities (c)</b>	<b>1,314.23</b>	<b>(59.56)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>3.06</b>	<b>0.78</b>
<b>Cash and cash equivalents at the beginning of the period / year</b>	<b>6.84</b>	<b>6.71</b>
<b>Cash and cash equivalents at the end of the period / year</b>	<b>9.90</b>	<b>7.49</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	7.72	5.01
Balances with banks - on current account	2.18	2.48
<b>Total cash and cash equivalents</b>	<b>9.90</b>	<b>7.49</b>

Particulars	(₹ in millions)			
	As at March 31, 2024	Cash Flow changes	Non-cash Changes	September 30, 2024
Non-current borrowings (including current maturities of non-current borrowings)	302.44	136.97	15.91	455.32
Current borrowings (excluding current maturities of non-current borrowings)	320.43	1,253.69	-	1,574.12
Lease liability	1.84	(0.14)	-	1.70
<b>Closing balance</b>	<b>624.71</b>	<b>1,390.52</b>	<b>15.91</b>	<b>2,031.14</b>

SPECIAL PURPOSE IND AS STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

Particulars	(₹ in millions)			
	As at March 31, 2023	Cash Flow changes	Non-cash Changes	September 30, 2023
Non-current borrowings (including current maturities of non-current borrowings))	120.89	(21.43)	(8.65)	90.81
Current borrowings (excluding current maturities of non-current borrowings)	305.24	(2.24)	-	303.00
Lease liability	-	-	-	-
Closing balance	426.13	(23.67)	(8.65)	393.81

For Bharat J. Rughani & Co  
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Sd/-  
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Partner  
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For and on Behalf of the Board of Directors  
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Chief Financial Officer  
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Company Secretary  
Place :- Pune



## NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

### 1 NATURE OF BUSINESS

GK Energy Private Limited (formerly known as GK Energy Marketers Private Limited) ("the Company") is a private Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 (The Act). The Company is primarily into the business of design, manufacture, supply, transport, installation, testing and commissioning of decentralized solar systems primarily focused on Solar Photovoltaic Water Pumping Systems popularly known as Solar Agricultural Pumps and other ancillary Services. In addition, the Company sells photovoltaic cells and solar modules manufactured by third parties

The Company Financial Statements for the six months ended September 30, 2024 were authorized by the Board of Directors in accordance with their resolution passed on November 29, 2024

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The Special Purpose Standalone Interim Financial Statements of the Company comprises the Standalone Balance Sheet as at September 30, 2024, and September 30, 2023 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the six month period then ended and a summary of material accounting policies and other explanatory information (together referred to as the "Special Purpose Standalone Interim Financial Statements").

The Special Purpose Standalone Interim Financial Statements have been prepared in accordance with the recognition and measurement principle of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India. The accounting policies adopted for the preparation of the Special Purpose Standalone Interim Financial Statements are consistent with those used for the preparation of annual financial statements for the year ended March 31, 2024

The Special Purpose Standalone Interim Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Standalone Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), the Red Herring Prospectus ("RHP") and the Prospectus (Collectively, the "Offer Documents") in connection with the proposed initial public offer of the Company. As a result, the Special Purpose Standalone Interim Financial Statements may not be suitable for any another purpose.

The Special Purpose Standalone Interim Financial Statements are presented in Indian Rupees which is also the functional currency ("INR" or "Rs." or "₹") and all values are stated as INR or Rs. or ₹, millions, except when otherwise indicated.

#### 2.2 Basis of preparation and presentation

The Restated Financial Information have been prepared on a historical cost basis considering the applicable Act except the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

Whenever the Company changes the presentation or classification of items in its financial information materially, the Company reclassifies comparative amounts, unless impracticable.

#### 2.3 Use of Estimate and judgment

In the application of accounting policy which are described in notes below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures 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 and are prudent and reasonable. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

##### a Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Act, and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes.

##### b Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an assets is estimated using a valuation technique where observable prices are not available. Further, the discount rate used for value in use calculations includes an estimate of risk assessment specific to the asset.

##### c Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

##### d Defined Benefit Plans:

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

##### e Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

f Allowances for expected credit loss

The Company makes provision for expected credit losses through appropriate estimations of irrecoverable amount. The identification of expected credit loss requires use of judgment and estimates. The Company evaluates trade receivables ageing and makes a provision for those debts as per the provisioning policy. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

g Valuation of deferred tax

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

h Lease

Lease accounting after evaluating the right to use the underlying assets, substance of the transactions including legally enforceable arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

2.4 Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognized as of 1 April, 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimates of the cost of dismantling / removing the item and restoring the site on which it is located.

Spares parts procured along with the Plant and Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognized on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognized.

Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The resulting impairment loss is recognized in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in the Statement of Profit and Loss.

2.5 Intangible assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of 1 April, 2021 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Intangible assets are stated at cost of acquisition or construction less accumulated amortization and impairment, if any. Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

2.6 Foreign Currency Transactions

The financial information of Company are presented in INR, which is also the functional currency. In preparing the financial information, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. The date of transaction in case of advance receipts is determined considering the advance receipts and subsequent exports as a single transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

2.7 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

### 2.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

### 2.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

#### a Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favorable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans to employee / related parties / others, security deposit, claims recoverable etc.

#### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value. The financial assets not recorded at fair value through profit or loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost

- Financial assets at fair value through OCI

- Financial assets at fair value through profit or loss

#### Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss.

#### Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

**Impairment of financial assets**

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortized cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

**b Financial Liabilities**

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

**Initial recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

**Financial Liabilities classified as Amortized Cost**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

**Financial Liabilities classified as Fair value through profit and loss (FVTPL)**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

**Derecognition**

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

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

**Dividend Distribution to equity shareholders**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

**2.10 Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants in the form of non-monetary assets are recognized at fair value and presented as deferred income which is recognized in the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit and Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit and Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The grant set up as deferred income is recognized in the Statement of Profit and Loss on a systematic basis.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

**2.11 Leases**

Where the Company is a lessee-

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract conveys the right to use an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Company recognizes a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter. Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

Where the Company is a lessor-

Lease income from operating leases where the Company is a lessor is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**2.13 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

**2.14 Revenue Recognition and Other Income**

Revenue is measured at amount of transaction price (net of variable consideration) received or receivable when control of the goods is transferred to the customer and there are no unfulfilled performance obligations as per the contract with the customers. The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- a) effective control of goods along with significant risks and rewards of ownership has been transferred to customer;
- b) the amount of revenue can be measured reliably;
- c) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- d) the costs incurred or to be incurred in respect of the transaction can be measured reliably

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, etc. For incentives offered to customers, the Company makes estimates related customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The actual amounts may differ from these estimates and are accounted for prospectively.

Revenue are net of Goods and Service Tax. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Company generate revenue from sale of pumps and related support services. Revenue from services is recognized in the accounting period in which the services are rendered.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.15 Depreciation and Amortization**

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is depreciated Separately if it's useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets on written down value as specified in the Schedule II of the Companies Act 2013 to the extent of 95 except the following;

Assets acquired on lease arrangement are depreciated over the respective useful life applicable to asset or written off over lease period, whichever is lower.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

**2.16 Borrowing and Borrowing costs**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a borrowings that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

**2.17 Employee Benefits**

**Short-term Employees Benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

**Post-employment benefits**

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund & employee State Insurance Scheme

**Defined benefits plans**

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognized in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognized in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

**Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

**2.18 Earnings per Share:**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

**2.19 Income Taxes**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously

**Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, 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, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

#### 2.20 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current /non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

#### 2.21 First time adoption of Ind AS - mandatory exceptions / optional exemptions

##### Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2021 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

##### Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2021 (the transition date).

##### Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

##### Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

##### Deemed cost for PPE, CWIP and Intangible assets

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1 April 2021 (Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

GK ENERGY PRIVATE LIMITED  
(Formerly GK Energy Marketers Private Limited)  
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NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

3a PROPERTY PLANT AND EQUIPMENTS

3b Right of Use of Assets      3c Intangible Assets      3d Work in Progress  
(₹ in millions )

Particulars	Building	Furniture and fixtures	Vehicles	Office equipment's	Electrical Fittings	Computers	Total (3a)	Right of Use of Assets	Computer software's	Capital work-in-progress	Total (3a+3b+3c+3d)
<b>Gross Carrying Amount</b>											
As at March 31, 2023	39.72	6.41	-	0.59	32.22	2.59	81.53	-	0.07	-	81.60
Additions	17.98	-	2.43	0.06	-	0.02	20.49	-	-	7.17	27.66
IndAS Adjustment	-	-	-	-	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	57.70	6.41	2.43	0.65	32.22	2.61	102.02	-	0.07	7.17	109.26
<b>As at March 31, 2024</b>											
As at March 31, 2024	58.51	6.41	32.29	0.92	32.22	3.34	133.69	1.90	0.07	0.20	135.86
Additions	-	1.77	33.27	0.21	-	1.54	36.79	-	-	-	36.79
IndAS Adjustment	-	-	-	-	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	-	-	-	-	-	-	-	0.20	0.20
As at September 30, 2024	58.51	8.18	65.56	1.13	32.22	4.88	170.48	1.90	0.07	-	172.45

3a PROPERTY PLANT AND EQUIPMENTS

3b Right of Use of Assets      3c Intangible Assets      3d Work in Progress  
(₹ in millions )

Particulars	Building	Furniture and fixtures	Vehicles	Office equipment's	Solar Power Plant	Computers	Total (3a)	Right of Use of Assets	Computer software's	Capital work-in-progress	Total (3a+3b+3c+3d)
<b>Gross block Amount</b>											
<b>Accumulated depreciation / amortization</b>											
As at March 31, 2023	2.10	1.92	-	0.37	16.38	0.97	21.74	-	0.06	-	21.80
Depreciation / amortization charge	0.40	0.30	0.02	0.03	1.61	0.32	2.68	-	-	-	2.68
Reclassification IndAS Adjustment	-	-	-	-	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	2.50	2.22	0.02	0.40	17.99	1.29	24.42	-	0.06	-	24.48
<b>As at March 31, 2024</b>											
As at March 31, 2024	2.95	2.53	1.22	0.45	19.60	1.66	28.41	0.03	0.06	-	28.50
Depreciation / amortization charge	0.45	0.35	2.57	0.07	1.61	0.52	5.57	-	0.01	-	5.58
Reclassification IndAS Adjustment	-	-	-	-	-	-	-	0.19	-	-	0.19
Adjustments/ disposals	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2024	3.40	2.88	3.79	0.52	21.21	2.18	33.98	0.22	0.07	-	34.27
<b>Net block Amount</b>											
As at September 30, 2023	55.20	4.19	2.41	0.25	14.23	1.32	77.60	-	0.01	7.17	84.78
As at September 30, 2024	55.11	5.30	61.77	0.61	11.01	2.70	136.50	1.68	-	-	138.18



GK ENERGY PRIVATE LIMITED  
(Formerly GK Energy Marketers Private Limited)  
CIN:U74900PN2008PTC132926  
Registered Office: Office No. 802, CTS No. 97-A-1/57/2, Suyog Center, Pune City, Pune, 411037

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

3D AGEING SCHEDULE OF CWIP

( ₹ in millions )

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
As at September 30, 2023	7.17	-	-	-	7.17
As at September 30, 2024	-	-	-	-	-

The Company does not have any CWIP which is overdue or exceeded its cost compared to its original plan.

i) The Company used carrying amount of PPE as at transition date (i.e. 01.04.2021) as deemed cost for an item of Property, Plant and Equipment and Intangible Assets. The disclosure with respect to value of gross block, accumulated depreciation / amortization charge and net block of PPE accounted as deemed cost existing at September 30, 2024, September 30, 2023 are as under

Particulars	Gross Block	Accumulated depreciation/ amortization as at 30th September 2024	Net Block
Buildings	58.51	3.40	55.11
Solar Power Plant	32.22	21.21	11.01
Furniture and fixtures	8.18	2.88	5.30
Office equipment	1.13	0.52	0.61
Computers	4.88	2.18	2.70
Vehicles	65.56	3.79	61.77
	<b>170.48</b>	<b>33.98</b>	<b>136.50</b>
Right of use asset	1.90	0.22	1.68
	<b>1.90</b>	<b>0.22</b>	<b>1.68</b>
Computer software	0.07	0.07	-
	<b>0.07</b>	<b>0.07</b>	<b>-</b>

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

4 OTHER FINANCIAL ASSETS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Other financial assets</b>		
Bank Deposits with more than 12 months maturity*	181.01	88.65
Security Deposit	0.07	-
<b>Total</b>	<b>181.08</b>	<b>88.65</b>

\* Deposits are lien with bank against credit facilities availed

5 INVENTORIES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
[valued at lower of cost and net realizable value]		
Raw materials & components	482.50	174.83
<b>Total</b>	<b>482.50</b>	<b>174.83</b>

Inventories are hypothecated to secured lenders. Refer Note No 13 and 19

6 TRADE RECEIVABLES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>(Unsecured at amortized cost)</b>		
Considered good	3,128.34	754.68
Considered doubtful	-	-
<b>Total</b>	<b>3,128.34</b>	<b>754.68</b>

Trade Receivables are hypothecated to secured lenders. Refer Note No 13 and 19

Trade Receivables are not interest bearing and repayable on terms of order.

AGEING OF TRADE RECEIVABLES

Particulars	Due As at September 30, 2024					Amount
	Less than 6 months	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed						
i. considered good	3,050.50	61.26	-	12.50	4.08	3,128.34
ii. considered doubtful	-	-	-	-	-	-
Disputed						
iii. considered good	-	-	-	-	-	-
iv. considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>3,050.50</b>	<b>61.26</b>	<b>-</b>	<b>12.50</b>	<b>4.08</b>	<b>3,128.34</b>

Particulars	Due As at September 30, 2023					Amount
	Less than 6 months	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed						
i. considered good	-	-	-	-	-	-
ii. considered doubtful	728.71	20.50	1.39	-	4.08	754.68
Disputed						
iii. considered good	-	-	-	-	-	-
iv. considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>728.71</b>	<b>20.50</b>	<b>1.39</b>	<b>-</b>	<b>4.08</b>	<b>754.68</b>

"The ageing of receivables has been determined from the respective invoice dates. Outstanding balances reflect the application of receipts against the earliest invoices first, accordingly the most recent invoices remain as the current outstanding balances."

7 CASH AND CASH EQUIVALENTS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Cash and cash equivalent:</b>		
Balances with bank on current accounts	2.18	2.48
Cash on hand	7.72	5.01
<b>Total</b>	<b>9.90</b>	<b>7.49</b>

8 OTHER BANK BALANCES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Other bank balances</b>		
Deposits with original maturity of more than 3 to 12 months*	413.47	17.79
<b>Total</b>	<b>413.47</b>	<b>17.79</b>

\* Deposits are lien marked with bank against credit facilities availed

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

9 OTHER FINANCIAL ASSETS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Tender EMD & other deposits	11.96	12.62
Deposits and advances with NBFC*	20.00	-
<b>Total</b>	<b>31.96</b>	<b>12.62</b>

\* Deposits are lien with bank against credit facilities availed

10 OTHER CURRENT ASSETS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
GST balances	3.34	4.76
Prepaid expenses	4.59	0.04
Advances recoverable in cash or in kind	5.48	19.97
Advances to trade creditors	73.48	65.04
Insurance claim receivable	0.77	-
<b>Total</b>	<b>87.66</b>	<b>89.81</b>

STATEMENT OF CHANGES IN EQUITY (SOCE)

11a. EQUITY SHARE CAPITAL

EQUITY SHARE CAPITAL	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Authorized Share Capital 30th September 2024: 75,00,000 of Rs.10 Each, (30th September 2023: 75,00,000 of Rs.10 Each)	75.00	75.00
Issued, Subscribed and Fully Paid-up Equity Shares :		
Equity Shares 30th September 2024: 12,99,990 of Rs.10 Each, (30th September 2023: 12,99,990 of Rs.10 Each)	13.00	13.00

Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

EQUITY SHARE CAPITAL	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Equity Shares		
At the beginning of the period / year		
- Number of shares	12,99,990	12,99,990
- In Rs. Million	13.00	13.00
Change during the period / year		
- Number of shares	-	-
- In Rs. Million	-	-
At the end of the period / year		
- Number of shares	12,99,990	12,99,990
- In Rs. Million	13.00	13.00

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In preceding five (5) years, there was no issue of bonus, buy back, cancellation and issue of shares for other than cash consideration.

Shares in the Company held by each shareholder holding more than five per cent shares	As at	
	September 30, 2024	September 30, 2023
Mr. Gopal Rajaram Kabra (Promoter)		
- Number of shares	12,49,958	12,49,958
- % Holding	96.15%	96.15%
- Change during period	0.00%	0.00%

Shares held by Promoters	As at	
	September 30, 2024	September 30, 2023
Mr. Gopal Rajaram Kabra		
- Number of shares	12,49,958	12,49,958
- % Holding	96.15%	96.15%
Mr. Mehul Ajit Shah		
- Number of shares	50,000	50,000
- % Holding	3.85%	3.85%

11b. OTHER EQUITY

OTHER EQUITY	(₹ in millions)			
	Reserves and Surplus		Other Comprehensive Income	TOTAL
	Securities Premium	Profit and Loss account	Remeasurement of defined benefit plans	
Balance at the end of the comparative reporting year ending 31 March 2023	3.70	181.98	-	185.68
Profit for the comparative period ending 30th September 2023	-	61.00	-	61.00
Other comprehensive income for the comparative period ending 30th September 2023	-	-	-	-
<b>Total comprehensive income for the comparative year</b>	-	61.00	-	61.00
Add: received during the year	-	-	-	-
Add: Equity contribution	-	-	-	-
<b>Balance at the end of the comparative period ending 30th September 2023</b>	<b>3.70</b>	<b>242.98</b>	<b>-</b>	<b>246.68</b>
Balance at the end of the reporting year ending 31 March 2024	3.70	542.88	-	546.58
Profit for the comparative period ending 30th September 2024	-	510.79	-	510.79
Other Comprehensive income for the comparative period ending 30th September 2024	-	-	(0.06)	(0.06)
<b>Total comprehensive income for the comparative year</b>	-	510.79	(0.06)	510.73
Add: received during the year	-	-	-	-
Add: Equity contribution	-	-	-	-
<b>Balance at the end of the reporting period ending 30th September 2024</b>	<b>3.70</b>	<b>1,053.67</b>	<b>(0.06)</b>	<b>1,057.31</b>

Nature and Purpose of each component of equity	Nature and Purpose
i. Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
ii. Retained Earnings	Profit earned during the year
iii. Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognized in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

12 BORROWINGS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Non-current</b>		
<b>Secured loans</b>		
Term loan from bank and financial institutions	86.05	32.48
14.25% Debentures (Non Convertible)	177.50	-
<b>Unsecured</b>		
From related parties	65.96	24.44
<b>Total borrowings - non-current</b>	<b>329.51</b>	<b>56.92</b>

I] Details of repayment of loans & charges created on assets for borrowing-

Name of Bank / Financial	Interest Rate	Tenure	Security
Bank of Baroda - BGECLS	9.25%	16 Months	-Pari Passu Charge on Current Assets -First charge on specified immovable assets of the company -First charge on fixed deposits pledged with the bank -Personal Guarantee of 2 Directors and relative of director
Bank of Baroda - BGECLS	9.25%	44 Months	-Pari Passu Charge on Current Assets -First charge on specified immovable assets of the company -First charge on fixed deposits pledged with the bank -Personal Guarantee of 2 Directors and relative of director
Bank of Baroda Limited	9.10%	60 Months	-Vehicle financed out of proceeds -Personal Guarantee of 2 Directors
HDFC Bank Limited	8.91%	60 Months	-Vehicle financed out of proceeds
Samunnati Financial Intermediation Services Private Limited	18.00%	60 Months	Hypothecation of both current assets and movable fixed assets, both present and future through sub-servient charge. -Personal Guarantee of 2 Directors
Bank of Baroda Limited	8.91%	84 Months	-Vehicle financed out of proceeds -Personal Guarantee of 2 Directors
Northern Arc Emerging Corporates Bond Trust with Northern Arc Emerging Corporates Bond Fund as its scheme	14.25%	18 Months	-Pari Passu Charge on Current Assets -First charge on fixed deposits pledged with the bank -Personal Guarantee of 2 Directors

13 LEASE LIABILITIES - NON-CURRENT

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Lease liabilities	1.31	-
	<b>1.31</b>	<b>-</b>

14 OTHER FINANCIAL LIABILITIES - NON-CURRENT

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Security deposits	11.85	11.85
	<b>11.85</b>	<b>11.85</b>

15 DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Deferred tax liability</b>		
Arising on account of difference in carrying amount and tax base of PPE and intangibles	8.32	6.25
Other adjustments	0.76	0.05
	<b>9.08</b>	<b>6.30</b>
<b>Deferred tax asset</b>		
Accrued Expenses allowable on actual payments and on account of other adjustments.	0.02	-
Right of use and lease liabilities	0.37	(0.85)
	<b>0.39</b>	<b>(0.85)</b>
<b>Deferred tax liability (net)</b>	<b>8.69</b>	<b>7.15</b>

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

16 PROVISIONS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Provision for Gratuity	1.41	-
	1.41	-

17 OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Deferred liability*	5.86	9.99
	5.86	9.99

\*The difference between the transaction price (proceeds from the unsecured loan) and the fair value is recognized as a deferred liability.

18 SHORT TERM BORROWINGS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Short term loans</b>		
Short term loans from banks (secured)	870.23	268.37
Short term loans from NBFC (unsecured)	199.85	30.00
Short term loans from banks (unsecured - purchase bill discounting)	500.42	-
Short term loans from related parties (unsecured)	3.62	4.63
<b>Current maturities</b>		
Current maturities of long-term borrowings (secured)	80.62	14.36
Current maturities of long-term borrowings (un-secured)	45.19	19.53
<b>Total</b>	<b>1,699.93</b>	<b>336.89</b>

Name of Bank / Financial Institution	Security Offered	
<b>Bank of Baroda Limited</b>		
Working capital limits received has been secured by -pari passu charge on current assets (both present and future) -first charge on specified immovable assets of the company -first charge on fixed deposits pledged with the bank -personal guarantee of promoters and relative of promoter Carries an interest rate of BBLR + SP + 1.50%	212.26	268.37
<b>ICICI Bank Limited</b>		
-pari passu charge on current assets (both present and -first charge on specified immovable asset of the -first charge on fixed deposits pledged with the bank. -carries an interest rate as at September 30, 2024 of I -personal guarantee of promoters spread is 1.40% p.a.	136.55	-
<b>HDFC Bank Limited</b>		
-pari passu charge on current assets (both present and -first charge on fixed deposits pledged with the bank. -personal guarantee of promoters -carries an interest rate as at September 30, 2024 of 9.20% p.a.	296.26	-
<b>IndusInd Bank Limited</b>		
-Pari passu charge on current assets (both present and -First charge on fixed deposits pledged with the bank. -personal guarantee of promoters -Carries an interest rate as at September 30, 2024 of repo rate + 2.75% spread	225.01	-
<b>Samunnati Financial Intermediation Services Private Limited</b>		
Hypothecation of both current assets and movable fixed assets, both present and future through sub-servient charge -personal guarantee of promoters and carried interest rate of 18% p.a.	30.00	30.00
<b>Equentia Financial Service Private Limited</b>		
Cash collateral of 10% of the facility which shall be proportionate to amount drawn under the Facility and -personal guarantee of promoters carries of interest rate of 13.05% p.a.	100.00	-
<b>Shriram Finance Limited</b>		
Cash collateral in form of ICD of 10% of the facility which shall be proportionate to amount drawn under the -personal guarantee of Gopal Kabra facility and carries of interest rate of 13.50% p.a.	70.00	-
<b>Total</b>	<b>1,070.08</b>	<b>298.37</b>

All Above loans are guaranteed by promoters of the company

**Disclosure in case of borrowings on the basis of security of current assets**

The returns or statements of current assets are filed by the Company with banks or financial institutions for above loans are generally in agreement with the books of accounts. And there is no material discrepancies are found and required to be reported as required.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

19 LEASE LIABILITIES - CURRENT

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Lease liabilities	0.39	-
	0.39	-

20 TRADE PAYABLE

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Trade payables:		
Dues to micro and small enterprise	65.56	27.10
Dues to other than micro and small enterprise	667.38	453.62
	732.94	480.72

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company

AGEING OF TRADE PAYABLE

Particulars	Not Due	Due as at September 30, 2024				Amount
		(₹ in millions)				
		Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
i. MSME	-	65.56	-	-	-	65.56
ii. Others than MSME	-	663.56	1.66	2.16	-	667.38
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues Others	-	-	-	-	-	-
<b>Total</b>	-	<b>729.12</b>	<b>1.66</b>	<b>2.16</b>	-	<b>732.94</b>

Particulars	Not Due	Due as at September 30, 2023				Amount
		(₹ in millions)				
		Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
i. MSME	-	27.10	-	-	-	27.10
ii. Others than MSME	-	443.97	9.65	-	-	453.62
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues Others	-	-	-	-	-	-
<b>Total</b>	-	<b>471.07</b>	<b>9.65</b>	-	-	<b>480.72</b>

The ageing of payables has been determined from the respective invoice dates. Payments are applied to the oldest outstanding invoices first, ensuring that the most recent invoices remain as the current outstanding balances.

21 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Other liabilities:		
Liabilities for expenses	364.32	28.34
Liabilities for employee Benefits	32.22	17.96
<b>Total</b>	<b>396.54</b>	<b>46.30</b>

22 PROVISIONS - CURRENT

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Provision for gratuity (Refer Note 43)	0.05	-
Provision for income tax	156.23	3.57
<b>Total</b>	<b>156.28</b>	<b>3.57</b>

23 OTHER CURRENT LIABILITIES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Deferred liability*	10.88	1.27
Advance from customer	9.41	10.00
Statutory dues	37.78	6.31
<b>Total</b>	<b>58.07</b>	<b>17.58</b>

\*The difference between the transaction price (proceeds from the unsecured loan) and the fair value is recognized as a deferred liability.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

24 REVENUE FROM OPERATIONS

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Revenue from operations:</b>		
Revenue from EPC	4,196.59	1,748.50
Revenue from traded goods	18.50	7.13
	<b>4,215.09</b>	<b>1,755.63</b>
<b>Other operating revenue</b>		
Sale of electricity	4.20	4.20
	<b>4.20</b>	<b>4.20</b>
<b>Total revenue from operations</b>	<b>4,219.29</b>	<b>1,759.83</b>

26 The Company is primarily in the business of installations of solar-powered pumping systems. All sales are made at a point in time and revenue recognized upon satisfaction of the performance obligations, which are typically upon dispatch.

26 The Company presented disaggregated revenue based on the type of goods sold and customers. Revenue is recognized for goods transferred at a point of time. The Company believes that the revenue disaggregation best depicts point in time.

Type of customers	(₹ in millions)	
	Amount	
<b>EPC of solar-powered pump systems of which</b>		
Direct-to-beneficiary	3,307.99	1,338.37
Sales to others	892.80	287.73
Other EPC Services	-	126.60
Trading Activities	9.75	2.93
Other customers	8.75	4.20
<b>Total</b>	<b>4,219.29</b>	<b>1,759.83</b>
<b>Type of goods sold</b>		
EPC	4,200.79	1,752.70
Solar Cells, Modules	9.75	2.93
Others	8.75	4.20
<b>Total</b>	<b>4,219.29</b>	<b>1,759.83</b>

25 OTHER INCOME

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
Interest received		
- from banks	11.77	2.64
Rental income	0.18	-
Deferred interest income	5.03	1.86
<b>Total</b>	<b>16.98</b>	<b>4.50</b>

26 TOTAL COST OF GOODS SOLD

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Cost of goods sold:</b>		
Inventory at the beginning of the year	197.63	106.48
Add: purchases	3,080.64	1,585.78
Less: inventory at the end of the year	482.50	156.25
<b>Total cost of goods sold</b>	<b>2,795.77</b>	<b>1,536.01</b>

27 CHANGES IN INVENTORIES

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>(increase)/decrease in inventories of work in progress</b>		
Opening work in progress	-	12.59
Closing work in progress	-	18.58
<b>(increase)/decrease in inventories of work in progress</b>	<b>-</b>	<b>(5.99)</b>



NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

28 EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Employee benefits</b>		
Salaries, wages & bonus	77.54	32.81
Contribution to provident and other funds	0.52	0.07
<b>Total</b>	<b>78.06</b>	<b>32.88</b>

29 FINANCE COST

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
Bank and NBFC borrowings	17.70	7.92
Unsecured loans	-	1.86
Cash credit, od and bill discounting charges	42.84	12.35
Interest on lease liabilities	0.08	-
Deferred interest on related parties (unsecured)	5.03	-
Other bank charges	12.92	3.24
Interest on taxes paid	8.61	-
<b>Total</b>	<b>87.18</b>	<b>25.37</b>

30 OTHER EXPENSES

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
<b>Operating expenses</b>		
Installation and project administration charges	466.03	65.27
Insurance paid projects	38.74	5.74
Inward freight	4.82	1.09
Other operating expenses	-	0.74
	<b>509.59</b>	<b>72.84</b>
<b>Other selling and administrative expenses</b>		
Auditors remuneration		
- for statutory audit	0.30	0.20
- for other services	-	-
Advertisement and sales promotion	7.29	0.05
Donation	0.02	-
Bad debts	-	0.80
CSR expenses	2.13	-
Electricity charges	0.36	0.16
Government taxes & interest paid	1.19	0.21
Insurance expenses - General	0.63	0.33
Office expenses	1.36	0.46
Printing & stationery and postage	0.95	0.46
Professional fees	23.02	7.22
Rent paid	0.61	0.33
Repairs and maintenance	0.12	0.38
Telephone expenses	0.24	0.11
Tender expenses	0.06	0.10
Travelling & conveyance	7.77	4.23
	<b>46.05</b>	<b>15.04</b>
<b>Total other expenses</b>	<b>555.64</b>	<b>87.88</b>

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

31 RELATED PARTY TRANSACTIONS

I]	Key managerial persons	Relationship	
	Gopal Kabra	Director	
	Mehul Shah	Director	
	Sunil K Malu (w.e.f. October 9, 2024)	Chief Financial Officer	
	Jeevan Innani (w.e.f. October 9, 2024)	Company Secretary and Compliance Officer	
II]	Relatives of key managerial persons	Relationship	
	Darshana Kabra	Other Related Person	
	Gopal Kabra HUF	Other Related Person	
	Rajaram Kabra	Other Related Person	
	Chandrakanta Kabra	Other Related Person	
	Komal Rathi	Other Related Person	
	Ajit Shah	Other Related Person	
	Prachi Shah	Other Related Person	
	Pratik Shah	Other Related Person	
III]	Enterprise over which key managerial personnel and the relative of key managerial personnel exercise control/significant influence (other related concerns)		
	Name of Enterprise	Legal status of such entity	
	Energy Marketers	Partnership Firm	
	Beromt Private Limited	Private Limited Company	
IV]	Transactions		
Particulars	(₹ in millions)		
	Six months ended September 30, 2024	Six months ended September 30, 2023	
<b>Managerial remuneration</b>			
Gopal Kabra	60.18	26.60	
Mehul Shah	13.23	5.92	
<b>Total</b>	<b>73.41</b>	<b>32.52</b>	
<b>Purchase of material and services (gross)</b>			
Energy Marketers	1.58	0.45	
Beromt Private Limited	-	1.03	
<b>Total</b>	<b>1.58</b>	<b>1.48</b>	
<b>Loans repaid to key management personnel &amp; their relative (including TDS paid on interest)</b>			
Gopal Kabra	0.50	-	
Mehul Shah	-	0.23	
<b>Total</b>	<b>0.50</b>	<b>0.23</b>	
<b>Sale of material and services (gross)</b>			
Beromt Private Limited	0.11	-	
<b>Total</b>	<b>0.11</b>	<b>-</b>	
Particulars	(₹ in millions)		
	As at September 30, 2024	As at September 30, 2023	
<b>Outstanding balances</b>			
<b>Unsecured loans (including deferred liabilities)</b>			
<b>Payable to</b>			
Gopal Kabra	58.05	12.13	
Mehul Shah	2.44	0.16	
Darshana Kabra	7.43	8.73	
Gopal Kabra HUF	4.24	4.24	
Rajaram Kabra	5.06	6.33	
Chandrakanta Kabra	9.10	8.74	
<b>Managerial remuneration payable</b>			
Gopal Kabra	16.76	14.09	
Mehul Shah	14.23	3.82	
<b>Payable</b>			
Beromt Private Limited	0.44	0.09	
<b>Total</b>	<b>117.75</b>	<b>58.33</b>	
<b>Receivable from</b>			
Energy Marketers	-	23.21	
<b>Total</b>	<b>-</b>	<b>23.21</b>	

**Terms and conditions of transactions with related parties;**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. receivables or payables. For the six months ended September 30, 2024 : ₹ Nil, September 30, 2023 : ₹ Nil.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

32 CONTINGENT LIABILITIES

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Contingent liabilities</b>		
Goods and Service Tax	3.46	-
Bank guarantees (performance)*	426.86	91.81
<b>Total</b>	<b>430.32</b>	<b>91.81</b>

The Company believes that none of the contingencies described above would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

\*Bank guarantees issued by the Company in the course of business to parties in order to ensure performance of the obligation under the contract.

33 TITLE DEEDS OF IMMOVABLE PROPERTY NOT HELD IN NAME OF THE COMPANY

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Properties Transactions Act, 1988 and rules made thereunder.

34 SEGMENTAL REPORTING

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for about allocating resources to the segment and assessing its performance. The Board of Directors which are identified as a CODM, consist of managing directors, executive directors and independent directors. The Board of directors of Company assesses the financial performance and position of the group and makes strategic decisions. The business activity of the Company falls within one broad business segment viz. "EPC of Solar Energy Powered Pumps and Other related products" and all of the sale of the product / services is within India. There are no separate reportable segments under Ind AS 108 "Operating Segments" notified under the Companies (Indian Accounting Standard) Rules, 2015. Hence, the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable.

35 DISCLOSURES REQUIRED UNDER THE MICRO, SMALL & MEDIUM DEVELOPMENT ACT, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below

Sr No	Particulars	(₹ in millions)	
		As at September 30, 2024	As at September 30, 2023
a)	Amounts outstanding but not due	53.21	27.10
b)	Amounts due but unpaid	-	-
c)	Amounts paid after appointed date during the year	-	-
d)	Amount of interest accrued and unpaid	-	-
e)	Amount of estimated interest due and payable to actual date of payment	-	-

36 REVALUATION OF PROPERTY, PLANT AND EQUIPMENTS

Company has not revalued its Property, Plant and Equipment, and other assets of the company. So the details as required to be provided are not applicable to the company.

37 LOANS AND ADVANCES GRANTED TO PROMOTERS, DIRECTORS AND KMP

The Company has not granted any loans and advances to promoters, directors and key managerial persons.

38 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does not have any transactions with struck off companies.

39 DETAILS OF BENAMI PROPERTIES HELD IN NAME OF COMPANY

Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

40 DISCLOSURE IN CASE OF WILFUL DEFAULTER

The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

41 DISCLOSURE IN CASE OF TRADING AND INVESTMENT IN CRYPTO OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

42 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

Company have registered and satisfied all the charges as required under the Act with Registrar of Companies except for the details as disclosed below:

- Purchase invoice discounting facility availed from Shriram Finance Limited aggregating to ₹70.00 million secured against deposit of up to 10% of the loan availed in the form of Inter Corporate Deposit
  - Vendor channel financing facility availed from Shriram Finance Limited aggregating to ₹30.00 million secured against deposit of up to 10% of the loan availed in the form of Inter Corporate Deposit
  - Purchase invoice discounting facility availed from Equentia Financial Services Private Limited aggregating to ₹100.00 million secured against deposit of up to 10% of the loan availed in the form of cash collateral
- The Company has shared the necessary details with the borrowers for filing the same with the RoC. However, the registration of the same is pending at the their end.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

43 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

Company is not a investment Company and also does not hold any investment in other company. So the details as required to be provided are not applicable to the company.

44 DECLARATION OF UNDISCLOSED INCOME IN TAX ASSESSMENTS

The Company does not have any transactions that are not recorded in the books of accounts that have been surrendered or disclosed as income during the six months ended September 30, 2024, September 30, 2023, in the tax assessments under the Income Tax Act, 1961.

45 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, expenditure in respect of Corporate Social Responsibility is applicable to the Company for the six months ended on 30 September, 2024.

Sr No	Particulars	₹ in millions	
		As at September 30, 2024	As at September 30, 2023
1	Amount required to be spent by the Company during the year	1.20	-
2	Amount of expenditure incurred	-	-
3	Shortfall at the end of the year	1.20	-
4	Total of previous years shortfall	-	-
5	Advance CSR Expenses Made	-	-

As of March 31, 2024, the amount required to be spent had been deposited into a separate account and subsequently amount as been deposited PM Cares Fund.

The Company has not yet spent an amount from CSR obligation towards CSR activity till 30th September 2024. However the company will fulfill its obligation towards CSR on or before 31st March 2025.

46 EMPLOYEE BENEFITS

EMPLOYEE PROVIDENT FUND

Particulars	₹ in millions	
	As at September 30, 2024	As at September 30, 2023
Employer's contribution to Provident Fund and other funds	0.46	0.07

\*Included in " Contribution to Provident and other Funds

GRATUITY

Particulars	₹ in millions	
	As at September 30, 2024	As at September 30, 2023
Type of benefit	Gratuity	-
Country	India	-
Reporting currency	₹	-
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	-
Funding status	Unfunded	-
Starting period	01-04-2024	-
Date of reporting	30-09-2024	-
Period of reporting	6 Months	-

Assumptions (Opening Period)

Expected return on plan assets	N.A.	-
Rate of discounting	7.21%	-
Rate of salary increase	8.00%	-
Rate of employee turnover	Directors : 1.00% p.a.; Employees : 20.00% p.a.	-
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	-

Assumptions (Closing Period)

Expected return on plan assets	N.A.	-
Rate of discounting	6.96%	-
Rate of salary increase	8.00%	-
Rate of employee turnover	Directors : 1.00% p.a.; Employees : 20.00% p.a.	-
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	-

Table Showing Change in the Present Value of Defined Benefit Obligation

Present value of benefit obligation at the beginning of the period	1.30	-
Interest cost	0.05	-
Current service cost	0.02	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.05	-
Actuarial (gains)/losses on obligations - due to experience adjustment	0.04	-
Present value of benefit obligation at the end of the period	1.45	-

Amount Recognized in the Balance Sheet

(present value of benefit obligation at the end of the period)	(1.45)	-
Funded status (surplus/ (deficit))	(1.45)	-
Net (liability)/asset recognized in the balance sheet	(1.45)	-

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Actual Return on Plan Assets</b>		
Present value of benefit obligation at the beginning	1.30	-
(fair value of plan assets at the beginning)	-	-
Net liability/(asset) at the beginning	1.30	-
Interest cost	0.05	-
Net interest cost for current period	0.05	-
<b>Actual Return on Plan Assets</b>		
Current service cost	0.02	-
Net interest cost	0.05	-
Expenses recognized in the statement of profit or loss	0.07	-
<b>Actual Return on Plan Assets</b>		
Actuarial (gains)/losses on obligation for the period	0.08	-
Expenses recognized in other comprehensive income	0.08	-
<b>Balance Sheet Reconciliation</b>		
Opening net liability	1.30	-
Expense recognized in statement of profit or loss	0.07	-
Expense recognized in other comprehensive income	0.08	-
Net liability/(asset) recognized in the balance sheet	1.45	-
<b>Current and Non-Current Liability</b>		
Current liability	0.05	-
Non-current liability	1.41	-
Net liability/(asset) recognized in the balance sheet	1.45	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

47 EARNINGS PER SHARE

Particulars	Six months ended	
	September 30, 2024	September 30, 2023
<b>Reconciliation of basic and diluted shares used in computing earnings per share</b>		
Nominal value of equity shares (in ₹)	10.00	10.00
No of shares at the beginning of the year	12,99,990	12,99,990
Add: Issued / to be issued during the year	-	-
Number of shares at the end of the year	12,99,990	12,99,990
<b>Computation of basic earnings per share</b>		
Net profit after tax attributable to equity shareholders (₹ in millions)	510.73	61.00
Basic earning per equity share (in ₹)	392.87	46.92
Diluted earning per equity share (in ₹)	392.87	46.92
Face value per share (in ₹)	10.00	10.00

Changes in number of shareholders post split and bonus of shares has been considered while calculating the EPS.

48 FAIR VALUES AND HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
<b>Financial assets and liabilities measured at amortized cost</b>		
<b>Financial assets</b>		
At amortized cost		
Cash and cash equivalents	9.90	7.49
Other bank balances	413.47	17.79
Trade receivables	3,128.34	754.68
Other financial assets	213.04	101.27
<b>Total financial assets</b>	<b>3,764.75</b>	<b>881.23</b>
<b>Financial liabilities</b>		
At amortized cost		
Borrowings	2,029.44	393.81
Lease liability	1.70	-
Trade payables	732.94	480.72
Other financial liabilities	408.39	58.15
<b>Total financial liabilities</b>	<b>3,172.47</b>	<b>932.68</b>

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

49 FINANCIAL INSTRUMENT - FAIR VALUE AND RISK MANAGEMENT

A CAPITAL MANAGEMENT

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximize the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

Particulars	₹ in millions	
	As at September 30, 2024	As at September 30, 2023
Gross debt	2,029.44	393.81
Less: cash and short term deposits	423.37	25.28
Net debt (a)	1,606.07	368.53
Equity	13.00	13.00
Other equity	1,057.31	246.68
Total equity (b)	1,070.31	259.68
Capital and net debt	2,676.38	628.21
Net gearing ratio (a/b)	1.50	1.42

B FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, cash and bank deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i. Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates and other price risks. Financial instruments affected by market risks, primarily include loans and payables.

Interest Rate Risks

The Company borrows funds in Indian Rupees to meet both the long term and short term funding requirements. Interest rate is fixed for the tenor of the Long term loans availed by the Company. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the six months ended September 30, 2024 would have been decreased/increased by ₹ 1.91 million September 30, 2024, ₹ 1.26 million for September 30, 2023.

ii. Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company's receivables can be classified in to two categories, one is from the customers/dealers in the market and second one is from the Government of India/State. As far as receivables from the Government are concerned, credit risk is Nil. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the six months 30th September 2024 is 2.68%, 30th September 2023 is 3.24%, of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

iv. Exposure to liquidity risk

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

Particulars	Carrying amount	₹ in millions		
		Less than 1 year	2-5 years	More than 5 years
As at September 30, 2024				
Borrowings	2,029.44	1,699.93	324.84	4.67
Lease liabilities	1.70	0.39	1.31	-
Trade payable	732.94	732.94	-	-
Other financial liabilities	408.39	396.54	11.85	-
<b>Total</b>	<b>3,172.47</b>	<b>2,829.80</b>	<b>338.00</b>	<b>4.67</b>
As at September 30, 2023				
Borrowings	393.81	336.89	56.92	-
Lease liabilities	-	-	-	-
Trade payable	480.72	480.72	-	-
Other financial liabilities	58.15	46.30	11.85	-
<b>Total</b>	<b>932.68</b>	<b>863.91</b>	<b>68.77</b>	<b>-</b>

iv. Foreign Exchange Risk

The Company is not directly exposed to foreign exchange risk as there is no outstanding foreign currency balance as on six months ended September 30, 2024 and as on September 30, 2023.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

50 RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

Particulars	(₹ in millions)	
	Six months ended September 30, 2024	Six months ended September 30, 2023
Accounting profit before income tax	706.97	82.66
India's statutory income tax rate	25.168%	25.168%
At India's statutory income tax rate	177.93	20.80
Effect of rate change	-	-
Effect of non deductible expenses	2.45	0.86
Excess / (Short) provision for tax relating prior year	15.51	-
Others	0.29	-
<b>Total</b>	<b>196.18</b>	<b>21.66</b>
<b>Effective Rate of Tax</b>	<b>27.75%</b>	<b>26.21%</b>

51 LEASES

a Carrying Value of Right of use assets

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Opening carrying value of right of use assets	1.87	-
Addition	-	-
Amortization	(0.19)	-
<b>Closing carrying value of right of use assets</b>	<b>1.68</b>	<b>-</b>

b The following is the break-up of current and non-current lease liabilities

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Current lease liabilities	0.39	-
Non-current lease liabilities	1.31	-
<b>Total</b>	<b>1.70</b>	<b>-</b>

c The following is the movement in lease liabilities during the period / year

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Opening balance of lease liabilities	1.84	-
Addition	-	-
Finance cost accrued during the period	0.07	-
Payment of lease liabilities	(0.21)	-
<b>Closing balance of lease liabilities</b>	<b>1.70</b>	<b>-</b>

d The table below provides details regarding the contractual maturities of lease liabilities

Particulars	(₹ in millions)	
	As at September 30, 2024	As at September 30, 2023
Lease liabilities (undiscounted)	-	-
Less than one year	0.43	-
Later than one year but not later than three years	0.93	-
Later than three years	0.71	-
<b>Total</b>	<b>2.07</b>	<b>-</b>
Lease liabilities (discounted)	-	-
Less than one year	0.39	-
Later than one year but not later than five years	0.74	-
Later than five years	0.49	-
<b>Total</b>	<b>1.62</b>	<b>-</b>

52 UNHEDGED FOREIGN CURRENCY BALANCES

There is no foreign currency balances as on six months ended September 30, 2024 and as on September 30, 2023

53 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

- a The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries). So the details as required to be provided are not applicable to the company.
- b The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise). So the details as required to be provided are not applicable to the company.
- 54 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall 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.

NOTES TO SPECIAL PURPOSE INTERIM IND AS FINANCIAL STATEMENTS

55 KEY FINANCIAL RATIOS

Sr No	Particulars	Formulae	As at	As at	Variance for September 30, 2024 vs 31 March, 2024	Reason
			September 30, 2024	September 30, 2023		
(a)	Current ratio	Current assets / Current liabilities	1.36	1.19	-2.10%	-
(b)	Debt-equity ratio	Debt / Shareholders Equity	1.90	1.52	70.35%	Increase in debt
(c)	Debt service coverage ratio	(PAT+Interest+Depreciation) / (Repayment of Borrowings+Interest)	2.83	1.50	32.95%	Increase in profitability
(d)	Return on equity ratio	Profit / Shareholders Equity	47.72%	23.49%	-26.00%	Increase in shareholder funds
(e)	Inventory turnover ratio	COGS / Average Inventory	8.24	10.43	-58.05%	Increase in inventory
(f)	Trade receivables turnover ratio	Revenue / Average Debtors	1.82	1.87	-41.57%	Increase in receivables
(g)	Trade payables turnover ratio	COGS/ Average Trade Payables	4.00	2.45	-7.54%	
(h)	Net capital turnover ratio	Turnover / Net Current Assets	3.80	10.22	-49.54%	Increase in current assets
(i)	Net profit ratio	Profit / Turnover	12.11%	3.47%	37.90%	Increase in profitability
(j)	Return on capital employed	PBIT / (Shareholders Equity + Net Debt)	29.67%	17.20%	-40.77%	-
(k)	Return on investment	NA	NA	NA	-	-

56 MATERIAL REGROUPING

Appropriate regroupings have been made in the special purpose Balance Sheet, special purpose Statement of Profit & Loss and special purpose Statement of Cashflows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the six months ended 30 September 2024, 30 September, 2023 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

For Bharat J. Rughani & Co  
Chartered Accountants  
Firm Registration No: 101220W

For and on Behalf of the Board of Directors  
of GK Energy Private Limited  
(Formerly GK Energy Marketers Private Limited)

Sd/-  
CA Akash Bharat Rughani  
Partner  
Membership No. 139664  
Date :- 29th November 2024  
Place :- Pune

Sd/-  
Gopal Kabra  
Director  
DIN: 02343128  
Place :- Pune

Sd/-  
Mehul Ajit Shah  
Director  
DIN: 03508348  
Place :- Pune

Sd/-  
Sunil Kamalkishor Malu  
Chief Financial Officer  
Place :- Pune

Sd/-  
Jeevan Santoshkumar Innani  
Company Secretary  
Place :- Pune