S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of TP Solar Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TP Solar Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the period then ended, i.e., from June 29, 2022 to March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books except that we were unable to verify the back up of books of accounts maintained in electronic mode for the period from August 05, 2022 to January 12, 2023, as necessary logs in respect of such period are not available with the company as stated in note 28 to the financial statements;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

   (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above.

   (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) The Company has not paid any managerial remuneration during the period and hence, provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the period ended March 31, 2023;

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

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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

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

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

v. No dividend has been declared or paid during the period by the Company

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 23213157BGYAKW1536

Place: Bengaluru
Date: April 17, 2023

S.R. Batliboi & Associates LLP Bengaluru

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: TP Solar Limited ("the Company")

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

(i) (a)(A) The Company has not capitalized any property, plant and equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(A) of the Order is not applicable to the Company.

(a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has not capitalized any property, plant and equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(b) of the Order is not applicable to the Company.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not capitalized any property, plant and equipment or intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in the note 27(i) to the financial statements.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the period on the basis of security of current assets of the Company. As disclosed in note 12.4 to the financial statements, the Company has not filed the quarterly returns/statements with such banks.

(iii) (a) During the period, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the period, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) Since the Company has not commenced commercial production, the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.

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(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period as disclosed in note 27(vii) of the financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has defaulted in repayment of dues to related parties during the period as stated below. This matter has been disclosed in note 12.3 to the financial statements. The Company did not have any loans or borrowing from a bank, government or debenture-holders during the period.

Nature of borrowing	Name of the Lenders	Amount not paid on due date (Rs. in lakhs)	Whether Principal or interest	Period of delay (in days)
Loans from related parties	Tata Power Renewable Energy Limited	388.58	Interest	3

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Monies raised during the period by the Company by way of term loans, Rs.9,366 lakhs was initially invested in mutual fund units and of which Rs.4,061 lakhs were ultimately applied for the purpose for which they were raised and Rs.5,305 lakhs remained temporarily invested in mutual fund units as at year-end. This matter has been disclosed in note 12.2 to the financial statements.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the period by way of initial public offer / further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the period under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the period.

(b) During the period, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company.

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Bengaluru

(xiv)(a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.

(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has incurred cash losses amounting to Rs. 386.31 lakhs in the current period. The Company has been registered for a period of less than one year.

(xviii) There has been no resignation of the statutory auditors during the period and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 25 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 23213157BGYAKW1536

Place: Bengaluru
Date: April 17, 2023

S.R. Batliboi & Associates LLP Bengaluru

Annexure '2' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: TP Solar Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of TP Solar Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

S.R. Batliboi & Associates LLP
Bengaluru

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 23213157BGYAKW1536

Place: Bengaluru
Date: April 17, 2023

S.R. Batliboi & Associates LLP
Bengaluru

TP Solar Limited
Balance Sheet as at March 31, 2023
CIN: U40100MH2022PLC385685

₹ in Lakhs

		Particulars	Note	As at March 31, 2023
A		**ASSETS**		
	1	**Non-current assets**		
		(a) Capital work-in-progress	5	14,625.30
		(b) Right of Use assets	4	3,551.20
		(c) Deferred tax assets (net)	19	111.41
		(d) Other non-current assets	9	20,089.01
		Total non-current assets		**38,376.92**
	2	**Current assets**		
		(a) Financial assets		
		(i) Investments	6	5,349.44
		(ii) Cash and cash equivalents	7	146.68
		(iii) Other financial assets	8	116.97
		(b) Other current assets	9	234.16
		Total current assets		**5,847.25**
		Total assets (1+2)		**44,224.17**
B		**EQUITY AND LIABILITIES**		
	1	**Equity**		
		(a) Equity share capital	10	5.00
		(b) Other equity	11	(537.85)
		Total equity		**(532.85)**
		Liabilities		
	2	**Non-current liabilities**		
		(a) Financial liabilities		
		(i) Borrowings	12	33,496.50
		Total non-current liabilities		**33,496.50**
	3	**Current liabilities**		
		(a) Financial liabilities		
		(i) Trade payables		
		(a) Total outstanding dues of micro enterprises and small enterprises		-
		(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	361.72
		(ii) Other financial liabilities	14	10,776.07
		(b) Other current liabilities	15	122.73
		Total current liabilities		**11,260.52**
		Total equity and liabilities (1+2+3)		**44,224.17**

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

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

Place : Bengaluru
Date: April 17, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
TP Solar Limited

Ashish Khanna
Director
DIN: 06699527

Sanjeev Churiwala
Director
DIN: 00489556

T P SOLAR LIMITED.

TP Solar Limited
Statement of Profit and Loss for the period ended March 31, 2023
CIN: U40100MH2022PLC385685

₹ in Lakhs

	Particulars	Note	For the period ended March 31, 2023
I	Revenue from operations		-
II	Other income		-
III	**Total income (I+II)**		-
IV	**Expenses**		
	Finance costs	16	22.69
	Depreciation and amortisation expense	17	19.45
	Other expenses	18	363.62
	Total expenses		**405.76**
V	**Profit/(loss) before tax (III- IV)**		**(405.76)**
VI	**Tax expenses**		
	Current tax		-
	Deferred tax	19	(69.63)
	Total tax expenses		**(69.63)**
VII	**Profit/(loss) for the period (V-VI)**		**(336.13)**
VIII	**Other comprehensive income**		
	Items that will be reclassified to profit or loss		
	(i) Effective portion of gain and loss on hedging instruments in cash flow hedges		(243.50)
	(ii) Income tax relating to items that will may be reclassified to profit or loss		(41.78)
	Total other comprehensive income ((i) - (ii))		**(201.72)**
IX	**Total comprehensive income for the period (VII + VIII)**		**(537.85)**
	(comprising profit/loss and other comprehensive income for the period)		
X	**Earnings/(loss) per equity share (in ₹):**	22	
	Basic		(889.04)
	Diluted		(889.04)

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

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

S.R. Batliboi & Associates LLP Bengaluru

Place : Bengaluru
Date: April 17, 2023

For and on behalf of the Board of Directors of
TP Solar Limited

Ashish Khanna
Director
DIN: 06699527

Sanjeev Churiwala
Director
DIN: 00489556

TP SOLAR LIMITED.

TP Solar Limited
Statement of Cash flow for the period ended 31st March, 2023
CIN: U40100MH2022PLC385685

₹ in Lakhs

Particulars	For the period ended March 31, 2023
Cash flows from operating activities	
Profit/(loss) before tax	(405.76)
Adjustments for:	
Finance costs	22.69
Depreciation and amortisation expense	19.45
	(363.62)
Movements in working capital:	
Adjustments for (increase) / decrease in operating assets:	
Other current assets	(234.16)
Other non-current assets	(158.56)
Other financial assets - Current	(95.78)
Movement in operating assets	(488.50)
Adjustments for increase / (decrease) in operating liabilities:	
Trade payables	361.72
Other current liabilities	122.73
Movement in operating liabilities	484.45
Cash generated from operations	**(367.67)**
Income taxes (paid)/refund	-
Net cash (used in)/ generated from operating activities	**(367.67)**
Cash flows from investing activities	
Investment in mutual funds	(9,366.00)
Proceeds from sale of mutual funds	4,073.77
Payments towards right of use assets	(3,570.65)
Payments for purchase of property, plant and equipment (including capital advances and capital work in progress)	(24,124.27)
Net cash (used in)/ generated from investing activities	**(32,987.15)**
Cash flows from financing activities	
Proceed from issue of equity shares	5.00
Loan taken from related parties	33,586.50
Loan repaid to related parties	(90.00)
Net cash (used in)/ generated from financing activities	**33,501.50**
Net increase in cash and cash equivalents	**146.68**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**146.68**

Cash and Cash Equivalents include : (also refer note 7)	**As at March 31, 2023**
Balances with banks	
In current accounts	146.68
	146.68

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

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

S.R. Batliboi & Associates LLP Bengaluru

Place : Bengaluru
Date: April 17, 2023

For and on behalf of the Board of Directors of
TP Solar Limited

Ashish Khanna
Director
DIN: 06699527

Sanjeev Churiwala
Director
DIN: 00489556

TP SOLAR LIMITED.

TP Solar Limited
Statement of changes in equity for the period ended March 31, 2023
CIN: U40100MH2022PLC385685

a. Equity share capital
(Refer Note 10)

₹ in Lakhs

Particulars	As at March 31, 2023
As at June 29, 2022	-
Add: Issue during the period	5.00
As at March 31, 2023	**5.00**

b. Other Equity
(Refer Note 11)

₹ in Lakhs

Particulars	Reserves and Surplus	Item of Other Comprehensive Income	As at March 31, 2023
	Retained earnings	Effective portion of cash flow hedges	
As at June 29, 2022	-	-	-
Profit/(loss) for the period	(336.13)	-	(336.13)
Other comprehensive Income (net of tax)	-	(201.72)	(201.72)
As at March 31, 2023	**(336.13)**	**(201.72)**	**(537.85)**

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

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

Place : Bengaluru
Date: April 17, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
TP Solar Limited

Ashish Khanna
Director
DIN: 06699527

Sanjeev Churiwala
Director
DIN: 00489556

T P SOLAR LIMITED.

1 Corporate information

TP Solar Limited ('the Company' or "TPSL") is a manufacturer of solar photo-voltaic cells and modules. The Company is a wholly owned subsidiary of The Tata Power Company Limited, the ultimate holding company. The Company is incorporated on June 29, 2022, domiciled in India, and has register office at C/o. The Tata Power Company Limited, 34 Sant Tukaram Road, Carnac Bunder, Mumbai 400 009. The Company is currently in the process of constructing its 4000 MW solar power plant in Tirunelveli district, Tamil Nadu.

2 Significant Accounting Policies

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Companies (Accounts) Rules, 2014, as amended, and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

This financial statement has been reported in Rs. Lakhs, except for information pertaining to number of shares and earnings per share information. The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

Since the Company was incorporated on June 29, 2022, this is the first year of preparation of financial statement by the Company and accordingly, the previous year comparatives figures have not been presented.

The financial statements were approved for issue by the Board of Directors on April 17, 2023

2.2 Other Significant Accounting Policies

2.2.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2.2 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.2.3 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are

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TP SOLAR LIMITED

retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2.2.4 Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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 that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise

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TP SOLAR LIMITED

on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the statement of profit and loss.

De-recognition - A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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TP SOLAR LIMITED.

2.2.6 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks by way of foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

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

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:
- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges
The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

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

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

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

(iii) Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit and loss (as a reclassification adjustment).

2.2.7 Leases:

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

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T P SOLAR LIMITED

Company as a lessee:

i) Right-of-use Assets: The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease Liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving critical accounting estimates or judgements are:

3.1 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The cross functional team of the Company works closely with the valuer to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the finding to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

3.2 Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

3.3 Provision for litigations and contingencies

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods.

3.4 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the tenure of the PPA. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.5 Impact of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID- 19 on the carrying amounts of property, plant and equipment, trade receivables, on effectiveness of hedging and on estimation of contract costs. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and consensus estimates from market sources on the expected future performance of the Company. Based on the said available information and estimates, the Company believes that the carrying amount of these assets as at March 31, 2023 and the current estimates made by the management are appropriate. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

S.R. Batliboi & Associates LLP Bengaluru

T P SOLAR LIMITED.

TP Solar Limited
Notes to the financial statements for the period ended March 31, 2023
CIN: U40100MH2022PLC385685

Note - 4 : Right Of Use Assets

Accounting Policy

Right Of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Also refer note 2.2.7.

Right-of-use asset - leasehold land is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
- Leasehold land - 99 years

Pro-rata depreciation is charged on assets purchased and / or sold during the period.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment and right of use assets are reduced from the cost of the assets.

Movement in Right Of Use Assets

	Leasehold Land	Total
Gross carrying value		
As at June 29, 2022	-	-
Add: Additions made during the period	5,156.23	**5,156.23**
Less: Government grant received during the period (refer Note below)	(1,585.58)	**(1,585.58)**
As at March 31, 2023	**3,570.65**	**3,570.65**
Accumulated depreciation		
As at June 29, 2022	-	-
Add: Depreciation for the period	19.45	**19.45**
Less: Disposals/adjustments during the period	-	-
As at March 31, 2023	**19.45**	**19.45**
Net Block As at March 31, 2023	**3,551.20**	**3,551.20**

Note:

The Company has entered into lease agreements with lease period of 99 years for 3 land parcels aggregating to 314 acres with State Industries Promotion Corporation Of Tamilnadu (SIPCOT) for construction of its manufacturing plant of cells and modules located at Tirunelveli, Tamilnadu, wherein the Company has received subsidy under State Industries Promotion from Government of Tamilnadu amounting to Rs.1,585.58 lakhs.

As per the sanction letter, the Company is required to ensure that the manufacturing plant is in operation within a period 36 months from the date of lease deed and also comply with other requirements of the aforesaid sanction letter. The Company is confident of complying with the aforesaid conditions.

Consequently, the Company has accounted for Rs.1,585.58 lakhs as Government Grant as a reduction from the cost of leasehold land included under Right of use assets.

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T P SOLAR LIMITED.

Note - 5 : Capital Work-in-Progress

Accounting Policy

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress. When significant parts of plant and equipment are acquired to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes indirect costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

₹ in Lakhs

	As at March 31,
Capital work in progress (CWIP) comprises of:	
Building and Plant and machinery:	
Cost of assets	
Cost of construction	13,134.23
Design and engineering costs	920.26
Finance cost:	
Interest on borrowings	365.89
Other finance costs	2.57
Finance income:	
Income from temporary investments of surplus funds in mutual fund units	(61.52)
Employee benefit expenses	15.66
Other expenses	
Legal and professional charges	45.37
Rates and taxes	66.70
Power and fuel expenses	10.41
Travel expenses	76.53
Miscellaneous expenses	49.20
	14,625.30

Capital Work in Progress (CWIP) ageing Schedule as at March 31, 2023 **₹ in Lakhs**

Capital Work in Progress	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	14,625.30	-	-	-	14,625.30

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Note - 6: Current investments

Particulars	As at March 31, 2023	
	No. of units	₹ in Lakhs
Current Investments in mutual funds units - quoted		
ICICI Prudential Overnight Fund - Direct Plan Growth	12,448.02	150.43
SBI Overnight Fund - Direct Growth	4,122.19	150.43
SBI Liquid Fund - Direct Growth	144.01	5.07
Bandhan Liquid Fund - Direct Plan Growth [formerly IDFC Cash Fund-Growth (Direct Plan)]	92,763.03	2,521.84
MIRAE Asset Cash Management Fund - Direct Plan	106,104.52	2,521.67
Total		**5,349.44**
Aggregate value of quoted current investments and its market value thereon		5,349.44

Note - 7: Cash and bank balances

Accounting Policy

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts/cash credits from banks as they are considered an integral part of the Company's cash management.

Note - 7.1: Cash and cash equivalents

₹ in Lakhs

	As at March 31, 2023
Balances with banks	
In Current Accounts	146.68
Cash and cash equivalents as per balance sheet	**146.68**
Cash and cash equivalents as per Statement of cash flow	**146.68**

Reconciliation of Liabilities from Financing Activities

	As at June 29, 2022	Cash Flows		Non cash - others	As at March 31, 2023
		Proceeds/ Expense	Repayment/ Payment		
Non-current Borrowings	-	33,586.50	(90.00)	-	33,496.50
Interest accrued on borrowings	-	388.58	-	(38.86)	349.72
Total	**-**	**33,975.08**	**(90.00)**	**(38.86)**	**33,846.22**

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Note - 8: Other financial assets (Unsecured considered good, unless otherwise stated)

₹ in Lakhs

	As at March 31, 2023	
	Current	Non-current
At amortised cost, unless otherwise stated		
Security Deposits	95.78	-
Receivable towards realised gain on derivative financial instruments	21.19	-
Total	**116.97**	**-**

Note - 9: Other assets (Unsecured, considered good unless otherwise stated)

₹ in Lakhs

	As at March 31, 2023	
	Current	Non-current
Capital advances	-	19,930.45
Others		
Deposits with government bodies	-	158.56
Balances with government authorities	234.16	-
Total	**234.16**	**20,089.01**

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Note - 10: Equity share capital

	As at March 31, 2023	
	No. of shares	**₹ in Lakhs**
Authorised share capital:		
Equity shares of Rs. 10/- each	1,500,000,000	150,000.00
Issued, subscribed and fully paid:		
Equity shares of Rs. 10/- each	50,000	5.00
Total	**50,000**	**5.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

	No. of shares	₹ in Lakhs
As at June 29, 2022	-	-
Issued during the period	50,000	5.00
As at March 31, 2023	50,000	5.00

(ii) Detail of the rights, preferences and restrictions attached to equity shares

The Company has only one class of Equity Share, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2023	
	Number of shares held	**% holding in that class of shares**
Equity shares with voting rights of Rs.10 each		
Tata Power Renewable Energy Limited, the Holding Company and its nominees	50,000	100.00%

(iv) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:

	As at March 31, 2023	
	No. of shares	**₹ in Lakhs**
Equity shares with voting rights of Rs.10 each		
Tata Power Renewable Energy Limited, the Holding Company and its nominees	50,000	5.00

(v) Shares held by promoters

For the period ended March 31, 2023

Promoter Name	No. of shares at the beginning of the period	Changes during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Equity shares with voting rights of Rs.10 each					
Tata Power Renewable Energy Limited	-	50,000	50,000	100.00%	100.00%

Note - 11: Other equity

₹ in Lakhs

	OCI - Effective portion of cash flow hedges	Reserves and surplus - Retained earnings	Total
As at June 29, 2022	-	-	-
Profit for the period	-	(336.13)	(336.13)
Other comprehensive Income:			
(i) Effective portion of gain and loss on hedging instruments in cash flow hedges (net of tax)	(201.72)	-	(201.72)
As at March 31, 2023	**(201.72)**	**(336.13)**	**(537.85)**

Note - 11.1 : Retained earnings
Retained earnings are net profits of the Company earned till date net of appropriations.

Note - 11.2 : Item of Other Comprehensive Income (OCI) - Effective portion of cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss. The balance in the cash flow hedge reserve for continuing hedges is Rs. 97.63 Lakhs.

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Note - 12: Non Current Borrowings ₹ in Lakhs

	As at March 31, 2023
Unsecured borrowings	
Loans from related parties	33,496.50
Total	**33,496.50**

Note 12.1: Loans from Related parties
Represents loans from Tata Power Renewable Energy Limited, the Holding Company with sanctioned loan amount of Rs.75,000 lakhs and repayable in lumpsum on March 31, 2026. The loans carry floating interest rate, which ranged from 6.6% p.a. to 7.5% p.a. duirng the period.

Note 12.2: Utilisation of borrowed funds
Monies raised during the period by the Company by way of term loans (loans from related parties), Rs.9,366 lakhs was initially invested in mutual fund units and of which Rs.4,061 lakhs were ultimately applied for the purpose for which they were raised and Rs.5,305 lakhs remained temporarily invested in mutual fund units as at year-end.

Note 12.3: Default in repayment of dues to related parties
The Company has defaulted in repayment of dues to related parties during the period as stated below

Nature of borrowing	Name of the lenders	Amount not paid on due date (₹ in Lakhs)	Principal/ Interest	Period of delay (in days)
Loans from related parties	Tata Power Renewable Energy Limited	388.58	Interest	3

Note 12.4: Sanctioned working capital limits
The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the period on the basis of security of current assets of the Company. During the period, the Company has not filed the quarterly returns/statements with such banks.

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Note - 13: Trade payables

₹ in Lakhs

	As at March 31, 2023	
	Current	Non-current
Trade payable for goods and services		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	361.72	-
Total	**361.72**	-

The average credit period for trade payables is upto 90 days. No interest is charged on trade payables

Trade Payables Ageing schedule as at March 31, 2023

₹ in Lakhs

	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	17.10	344.62	-	-	-	361.72
(iii) Disputed dues of micro enterprises and small	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Note - 14: Other Financial Liabilities

₹ in Lakhs

	As at March 31, 2023	
	Current	Non-current
At amortised cost		
Interest accrued on borrowings	349.72	-
Interest on MSME suppliers (Refer Note 21)	0.36	-
Creditors for property, plant and equipment *	10,308.14	-
	10,658.22	-
At fair value through OCI		
Derivative financial instruments carried at fair value through OCI - cash flow hedges	117.85	-
	117.85	-
Total	**10,776.07**	-
* Includes outstanding dues of:		
- micro enterprises and small enterprises (Refer Note 21)	10.53	-

Note - 15: Other current and non-current liabilities

₹ in Lakhs

	As at March 31, 2023	
	Current	Non-current
Statutory dues	122.73	-
Total	**122.73**	-

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Note -16 Finance costs

Accounting Policy

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

₹ in Lakhs

	For the period ended March 31, 2023
Interest expense	
-Interest on borrowings from related parties	388.58
Less: Interest capitalised	(365.89)
	22.69
Other borrowing costs	
-Other finance costs	2.57
Less: Other finance costs capitalised	(2.57)
	-
Total	**22.69**

Note -17: Depreciation and amortisation expenses

Refer Note 4 as regards policy on Right of Use of assets.

₹ in Lakhs

	For the period ended March 31, 2023
Depreciation on Right of use assets	19.45
Total	**19.45**

Note -18 Other expenses

₹ in Lakhs

	For the period ended March 31, 2023
Rates and taxes	300.02
Legal and other professional charges	44.60
Payment to auditors	19.00
Total	**363.62**

Note-18.1:Payment to auditors (excluding applicable taxes and reimbursable expenses)

	For the period ended March 31, 2023
(a) For Statutory Audit	19.00
Total	**19.00**

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Note - 19: Current and Deferred tax

Accounting policy

Current tax:
Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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.

Deferred tax:
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The income tax expense for the year can be reconciled to the accounting profit as fc ₹ in Lakhs

	For the period ended March 31, 2023
Profit/(loss) before tax	(405.76)
Income tax expense @ 17.16% under section 115BAB of the Income Tax Act, 1961	(69.63)
Income tax expenses recognised in statement of profit and loss	**(69.63)**

Income tax recognised in other comprehensive income ₹ in Lakhs

	For the period ended March 31, 2023
Effective portion of gain and loss on hedging instruments in cash flow hedges	(41.78)
Total income tax recognised in other comprehensive income	**(41.78)**

Components of deferred tax assets/(liabilities)

₹ in Lakhs

2022-23	As at June 29, 2023	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing Balance
Deferred tax assets/ (liabilities) in relation to:					
Derivative financial instruments - Effective Portion of Cash flow hedges	-	-	41.78	-	41.78
Unused tax losses	-	28.44	-	-	28.44
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	-	41.19	-	-	41.19
Net Deferred Tax Asset / (Liability)	-	**69.63**	**41.78**	-	**111.41**

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Note -20: Commitments and Contingencies

₹ in Lakhs

	As at March 31, 2023
Commitments - Estimated amounts of contracts remaining to be executed on capital account and not provided for	218,873.10

Note -21: Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of accounting year (included in Creditors for property, plant and equipment)	10.53
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.36
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond appointed day during each accounting year	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.36
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.36

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note - 22: Earnings/ (loss) per share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e.the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

₹ in Lakhs

	For the period ended March 31, 2023
Basic earnings or loss per share	(889.04)
Diluted earnings or loss per share	(889.04)

Note - 22.1: Basic Earnings or Loss Per Share

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

₹ in Lakhs

	For the period ended March 31, 2023
Profit or loss for the period attributable to Shareholders of the Company (₹ in Lakhs)	(336.13)
Earnings or loss used in the calculation of earnings per share (₹ in Lakhs)	(336.13)
Weighted average number of equity shares for the purposes of earnings or loss per share (in numbers)	37,671.23

Note - 22.2: Diluted Earnings or Loss Per Share

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

₹ in Lakhs

	For the period ended March 31, 2023
Profit or loss for the period attributable to Shareholders of the Company (₹ in Lakhs)	(336.13)
Earnings or loss used in the calculation of earnings per share (₹ in Lakhs)	(336.13)
Weighted average number of equity shares for the purposes of earnings or loss per share (in numbers)	37,671.23

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Note - 23: Related Party Disclosure

Note -23.1: Names of Related parties and relationships:

Related parties where control exists:

Ultimate Holding Company	The Tata Power Company Limited
Holding Company	Tata Power Renewable Energy Limited

Related parties where there were transactions:

Associates of Ultimate Holding Company	Tata Projects Limited
Promoters holding more than 20% in the Ultimate Holding Company	Tata Sons Private Limited
Subsidiaries of Promoters holding more than 20% in the Ultimate Holding Company	Tata Consulting Engineers Limited Tata AIG General Insurance Company Limited

Key managerial personnel:

Directors	Mr. Ashish Khanna- Director (w.e.f. 29/06/2022) Mr. Mahesh D Paranjpe - Director (w.e.f. 29/06/2022) Mr. Sanjeev Churiwala - Director (w.e.f. 29/06/2022)

Note - 23.2: Transactions during the period

₹ in Lakhs

		Ultimate Holding Company	Holding Company	Associates and Joint Ventures of Ultimate Holding Company	Subsidiaries of Promoters holding more than 20% in the Ultimate Holding Company
		For the period ended March 31, 2023			
1	**Purchase of Property, Plant and Equipment (Including capital work in progress and expenses capitalised)**				
	Tata Projects Limited	-	-	4,021.52	-
	Tata Consulting Engineers Limited	-	-	-	272.87
	The Tata Power Company Limited	0.91	-	-	-
	Tata AIG General Insurance Company Ltd	-	-	-	0.52
	Tata Power Renewable Energy Limited	-	445.26	-	-
2	**Interest Expense**				
	Tata Power Renewable Energy Limited	-	388.58	-	-
3	**Loan taken during the period**				
	Tata Power Renewable Energy Limited	-	33,586.50	-	-
4	**Loan repaid during the period**				
	Tata Power Renewable Energy Limited	-	90.00	-	-
5	**Reimbusement of expenses (Rates and taxes and legal and professional charges)**				
	Tata Power Renewable Energy Limited	-	344.62	-	-
6	**Reimbusement of cost of Right of use assets**				
	Tata Power Renewable Energy Limited	-	2,732.02	-	-
7	**Capital advances made**				
	Tata Projects Limited	-	-	6,467.89	-

Note -23.3: Balances outstanding as at period end

₹ in Lakhs

Sl No	Particulars	As at March 31, 2023
1	**Capital advances**	
	Tata Projects Limited	6,074.16
2	**Capital Creditors**	
	Tata Projects Limited	2,956.46
	Tata Power Renewable Energy Limited	3,343.90
	The Tata Power Company Limited	0.82
3	**Borrowings**	
	Tata Power Renewable Energy Limited	33,496.50
4	**Trade payable**	
	Tata Power Renewable Energy Limited	344.62
5	**Interest accrued**	
	Tata Power Renewable Energy Limited	349.72

Notes:

(i) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the period.

(ii) In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company.

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Note -24: Financial Instruments

24.1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

₹ in Lakhs

	Carrying Value As at March 31, 2023	Fair Value As at March 31, 2023
Financial Assets		
Measured at amortised cost		
Cash and cash equivalents	146.68	146.68
Other financial assets	116.97	116.97
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual funds	5,349.44	5,349.44
Total assets	**5,613.09**	**5,613.09**
Financial Liabilities		
Measured at amortised cost		
Borrowings	33,496.50	33,496.50
Trade payables	361.72	361.72
Other financial liabilities	10,658.22	10,658.22
Measured at fair value through other comprehensive income (FVTOCI)		
Derivative instruments carried at fair value through OCI - cash flow hedges	117.85	117.85
Total liabilities	**44,634.29**	**44,634.29**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

> The management has measured the investments in mutual funds at fair value through profit and loss, which are valued using the quoted market prices in active markets for identical investments.

> The management assessed that the carrying values of cash and bank balances, trade payables and other financial assets and liabilities approximate their fair values largely due to their short-term maturities.

> The management assessed that the carrying values of borrowings and other financial assets and liabilities approximate their fair values based on cash flow discounting using parameters such as interest rates, tenure of instrument, creditworthiness of the customer and the risk characteristics of the financed project, as applicable.

> The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and options are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at year-end, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financials instruments recognised at fair value.

All the financial assets and liabilities (except for Current Investments classified as level 1 and derivatives classified as level 2 as explained above) are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs as explained above. There have been no transfers between levels during the year.

24.2 Fair value hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

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

Quoted prices in active market (Level 1): Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities and quoted borrowings (fixed rate) that have quoted price.

Valuation techniques with observable inputs (Level 2): Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This includes derivative financial instruments and unquoted floating and fixed rate borrowings.

Valuation techniques with significant unobservable inputs (Level 3): Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares and redeemable non-cumulative preference shares.

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24.3 Financial risk management objectives and policies
The Company's treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Company through internal meetings with the key stakeholders to analyse exposures by degree of magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by a team that has the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Management reviews and agrees policies for managing each of these risks.

24.4 Market Risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates The company enters into a derivative financial instruments to manage its exposure to foreign currency risk: Forward foreign exchange contracts to hedge the exchange rate risk arising on the export of modules and import of cells/modules and capital goods.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

24.5 Foreign Currency risk management
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

As at March 31, 2023, the Company does not have any unhedged foreign currency exposure.

24.6 Derivative financial instruments
The Company enters into forward foreign exchange contracts to cover specific foreign currency payments. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated purchase transactions. Adjustments are made to the initial carrying amounts of non-financial hedged items when anticipated sale or purchase transaction takes place.

Outstanding foreign exchange forward and option contracts:

Category	Currency	Buy/ Sell	Foreign Currency (in Lakhs)	Average Rate (INR per Foreign currency)	Nominal Value ₹ in Lakhs	Fair Value assets/ (liabilities) ₹ in Lakhs
As at March 31, 2023						
Forward contracts*	USD	Buy	685.59	83.67	57,362.57	(298.43)
Forward contracts*	EUR	Buy	526.58	91.89	48,388.69	144.85
Option Contracts*	EUR	Call Spread	40.00	95.97	3,838.80	35.73

* Forward contracts and Option contracts have maturity period of less than 1 year.

Cash flow hedges - hedging gains or losses for the period ended March 31, 2023

Particulars	Recognised in Other Comprehensive Income
Other comprehensive income	(243.50)

24.7 Interest rate risk management
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Refer note 5 as regards capitalisation of Borrowing costs. Considering the same, for the year ended March 31, 2023, the Company believes that the impact on account of risk of changes in market interest rate on the statement of profit and loss is minimal.

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24.8 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The company is exposed to credit risk from its financing activities i.e. other financial instruments. Considering that the commercial operations of the Company has not commenced credit risk from its operating activities is considered low.

₹ in Lakhs

	As at March 31, 2023
Other Financial assets	116.97
Total	**116.97**

24.9 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's principal sources of liquidity are cash and cash equivalents, working capital borrowings, the cash flow that is generated from operations and proceeds of maturing financial assets. The Company believes that the working capital, including the available unutilised borrowing limits is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the maturities of financial liabilities as at March 31, 2023:

₹ in Lakhs

Particulars	Upto 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount
Financial Liabilities					
Trade payables	361.72	-	-	361.72	361.72
Borrowings and interest thereon	349.72	33,496.50	-	33,846.22	33,846.22
Other financial liabilities	10,308.50	-	-	10,308.50	10,308.50
Derivative liabilities	117.85	-	-	117.85	117.85

24.10 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital 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 shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

₹ In Lakhs

	As at March 31, 2023
Debt (i)	33,496.50
Less: Cash and Bank balances (Including other bank balances)	146.68
Net debt	**33,349.82**
Total Capital (ii)	(532.85)
Capital and net debt	**32,816.97**
Net debt to Total Capital plus net debt ratio (%)	102%

Notes:

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.

(ii) Total Capital is defined as Equity share capital and other equity including reserves and surplus.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

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Note -25: Financial Ratios

Sl No	Ratios	Numerator	Denominator	March 31, 2023	Remarks
a)	Current Ratio	Current Assets	Current Liabilities	0.52	Refer note (i) below
b)	Debt-equity ratio	Total debt	Shareholder's Equity	(62.86)	
c)	Debt service coverage ratio	Profit after taxes + interest expenses + depreciation and amortisation+ other non-cash expenses	Interest expense + scheduled principal repayment of long-term debt and lease liabilities during the period	(12.96)	
d)	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.63	
e)	Return on capital employed	Earning before interest and taxes	Capital employed	(0.01)	
f)	Trade payables turnover ratio	Net credit purchases	Average Trade payable	Not applicable	Refer note (ii) below
g)	Inventory turnover ratio	Cost of goods sold	Average Inventories	Not applicable	
h)	Trade receivables turnover ratio	Net Credit Sales	Average Trade receivable	Not applicable	
i)	Net capital turnover ratio	Net Sales	Working capital	Not applicable	
j)	Net profit ratio	Net Profit after Tax	Revenue	Not applicable	
k)	Return on investment	Return on investment	Average Investment	Not applicable	

Note:

(i) Considering that the company has been set up in the current year, comparative ratios for previous period and variance thereon are not applicable.

(ii) These ratios are not applicable since the Company has not commenced commercial production as at the period end.

Note -26: Segment Information

The Company is a manufacturer of solar photo-voltaic cells and modules. The Company is predominantly operating in a single geography i.e. India.

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment.

As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets and liabilities.

The Company is domiciled in India. All the non-current assets of the Company are located in India. The Company has not commenced commercial production as at the period end.

Note - 27: Other Statutory Information

(i) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

(v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act 1961 as income during the period.

(viii) The Company is not a declared wilful defaulter by any bank or financial institution or any other lender.

Note - 28 Daily back-up of books of account

The Company has defined process to take daily back-up of books of account maintained electronically and the logs of such back-up of the books of account are maintained for cyclic period of 90 days only. Hence, at any point of time, the logs are available for a period of upto 90 days. The management is taking steps to configure systems to ensure that the logs of daily back-up of books of account are maintained for the period as required under the applicable statute.

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Notes to the financial statements for the period ended March 31, 2023
CIN: U40100MH2022PLC385685

Note - 29: Standards notified but not yet effective
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.
The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the aforesaid amendments.

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Sudhir Kumar Jain
Partner
Membership Number: 213157

Place : Bengaluru
Date: April 17, 2023

For and on behalf of the Board of Directors of
TP Solar Limited

Ashish Khanna
Director
DIN: 06699527

Sanjeev Churiwala
Director
DIN: 00489556

S.R. Batliboi & Associates LLP Bengaluru

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