Mundra Solar Technology Limited

Balance Sheet as at 31st March, 2022

adani Solar

Particulars	Notes	As at 31st March, 2022 (₹ in Lakhs)
ASSETS		
Non-current Assets		
(a) Capital Work-In-Progress	4	265.23
(b) Other Non-current Assets	5	15.79
Total Non-current Assets		**281.02**
Current Assets		
(a) Financial Assets		
(i) Cash and Cash Equivalents	6	4.68
(b) Other Current Assets	7	47.64
Total Current Assets		**52.32**
Total Assets		**333.34**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	8	1.00
(b) Other Equity	9	(0.25)
Total Equity		**0.75**
LIABILITIES		
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	10	20.03
(ii) Trade Payables		
a. Total outstanding dues of micro enterprises and small enterprises	11	0.25
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		-
(iii) Other Financial Liabilities	12	312.27
(b) Other Current Liabilities	13	0.04
Total Current Liabilities		**332.59**
Total Liabilities		**332.59**
Total Equity and Liabilities		**334.34**

The accompanying notes are an integral part of the financial statements. 2

As per our report of even date

For **Shah & Shah Associates**
Chartered Accountants
Firm Registration Number : 113742W

SHAH & SHAH ASSOCIATES
702, Aniket, C.G. Road, Navrangpura, Ahmedabad-9
CHARTERED ACCOUNTANTS

Vasant C.Tanna
Partner
Membership No.100422

Place : Ahmedabad
Date : 3rd May 2022

For and on behalf of the Board of Directors of
Mundra Solar Technology Limited

Mundra Solar Technology Limited

Dharmesh Parekh
Director
DIN 08256576

Dhirav Shah
Director
DIN: 08591063

Place : Ahmedabad
Date : 3rd May 2022

Mundra Solar Technology Limited
Statement of Profit and Loss for the period ended on 31st March, 2022

adani Solar

Particulars		For the period ended on 31st March, 2022 (₹ in Lakhs)
Income		
Revenue from Operations		-
Other Income		-
Total Income		-
Expenses		
Cost of Material Consumed		-
Other Manufacturing Expenses		-
Employee Benefit Expenses		-
Finance Cost		-
Other Expenses	14	0.25
Total Expenses		**0.25**
Profit / (Loss) before exceptional items and tax		**(0.25)**
Exceptional items		-
Profit / (Loss) before tax		**(0.25)**
Tax Expense:	15	
Current Tax		-
Deferred Tax		-
Total Tax Expense		-
Profit / (Loss) for the Period		**(0.25)**
Other Comprehensive Income		-
Other Comprehensive Income (After Tax)		-
Total comprehensive (Loss) / Profit for the period		**(0.25)**
Earning per Equity Share of ₹ 10 each		
- Basic & Diluted (in ₹)	17	(6.86)

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

As per our report of even date

For **Shah & Shah Associates**
Chartered Accountants
Firm Registration Number : 113742W

SHAH & SHAH ASSOCIATES CHARTERED ACCOUNTANTS 702, Aniket, C.G. Road, Navrangpura, Ahmedabad-9

Vasant C.Tanna
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Dharmesh Parekh
Director
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Dhirav Shah
Director
DIN: 08591063

Place : Ahmedabad
Date : 3rd May 2022

Mundra Solar Technology Limited

Statement of changes in equity for the period ended 31st March, 2022

adani Solar

A. Equity Share Capital **(₹ in Lakhs)**

Particulars	No. Shares	Amount
Shares issued during the year	10,000	1.00
Share capital change due to prior period error	-	-
Balance as at 31st March, 2022	**10,000**	**1.00**

B. Other Equity **(₹ in Lakhs)**

Particulars	Retained Earnings
Profit / (Loss) for the period	(0.25)
Other comprehensive income	-
Total Comprehensive Profit / (Loss) for the period	**(0.25)**
Balance as at 31st March, 2022	**(0.25)**

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

As per our report of even date

For Shah & Shah Associates
Chartered Accountants
Firm Registration Number : 113742W

SHAH & SHAH ASSOCIATES CHARTERED ACCOUNTANTS 702, Aniket, C.G. Road, Navrangpura, Ahmedabad-9

Vasant C.Tanna
Partner
Membership No.100422

Place : Ahmedabad
Date : 3rd May 2022

For and on behalf of the Board of Directors of
Mundra Solar Technology Limited

Mundra Solar Technology Limited

Dharmesh Parekh
Director
DIN 08256576

Dhirav Shah
Director
DIN: 08591063

Place : Ahmedabad
Date : 3rd May 2022

Mundra Solar Technology Limited

Statement of Cash Flow for the period ended 31st March, 2022

adani Solar

Particulars	For the period ended on 31st March, 2022 (₹ in Lakhs)
(A) Cash flow from operating activities	
Profit / (Loss) before tax	(0.25)
Operating Profit / (Loss) before working capital changes	**(0.25)**
Changes in working capital:	
(Increase) in Other Assets	(47.64)
Increase in Trade Payables	0.25
Increase in provision	0.04
Increase in Other Liabilities	312.27
	264.92
Cash used in operations	**264.67**
Less : Tax Paid	-
Net Cash used in operating activities (A)	**264.67**
(B) Cash flow from investing activities	
Capital expenditure on Property, Plant and Equipment, Intangible assets, Capital Work in progress including capital advances	(281.02)
Net Cash used in investing activities (B)	**(281.02)**
(C) Cash flow from financing activities	
Proceeds / (Repayment) from Short-term borrowings (net)	20.03
Proceeds from issue of Equity Share	1.00
Net Cash generated from financing activities (C)	**21.03**
Net (Decrease) / Increase in cash and cash equivalents (A)+(B)+(C)	4.68
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**4.68**
Notes to Cash flow Statement :	
1 **Cash and cash equivalents as per above comprise of the following :**	
Cash and cash equivalents (refer note 6)	**4.68**
Balances as per statement of cash flows	**4.68**

Notes:

1) The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.

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

As per our report of even date

For **Shah & Shah Associates**
Chartered Accountants
Firm Registration Number : 113742W

Vasant C.Tanna
Partner
Membership No.100422

Place : Ahmedabad
Date : 3rd May 2022

For and on behalf of the Board of Directors of
Mundra Solar Technology Limited

Dharmesh Parekh
Director
DIN 08256576

Dhirav Shah
Director
DIN: 08591063

Place : Ahmedabad
Date : 3rd May 2022

1 Corporate information

Mundra Solar Technologies Limited ("the Company", "MSTL") is a company domiciled in India and incorporated on 9th November, 2021 under the provisions of Companies Act, 2013 as a 100% Subsidiary of Adani Infrastructure Private Limited ("AIPL"), to carry on the business of manufacturing of Solar Polysilicon at Mundra, District Kutch, Gujarat. During the period under review, the Company is in the process of set up of proposed manufacturing facility at Mundra.

2 Significant accounting policies

a Basis of preparation

The financial statements of the Company have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

b Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Depreciation is recognised based on the cost of assets (other than Lease hold land) less their residual values over their useful lives, using the straight line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013. In case of major components identified, depreciation is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

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

Intangible assets acquired seperately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a Writen Down Value basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition are recognised in profit or loss.

c Project Development Expenditure / Capital Work in Progress

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development Expenditure" as the case may be. The same is allocated to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

d Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

e Financial assets

Initial recognition and measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest.

For the impairment policy on financial assets measured at amortised cost, refer note n(ii).
All other financial asset are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at cost

Investments in associates are accounted for at cost.

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

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

SHAH & SHAH ASSOCIATES 702, Aniket, C.G. Road, Navrangpura, Ahmedabad-9 CHARTERED ACCOUNTANTS

Mundra Solar Technology Limited

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

f Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in note 'i'.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

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

g 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

The Company classifies all other assets 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.

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.

SHAH & SHAH ASSOCIATES CHARTERED ACCOUNTANTS

Mundra Solar Technology Limited

h Foreign currencies

The Company's financial statements are presented in INR which is company's functional currency and items included in the financial statements are measured using this functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

i Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

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

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.

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j 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 profit or loss in the period in which they are incurred.

k Taxes on Income

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. 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 recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liability are generally recorded for all temporary timing differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

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

l Earnings per share

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of equity shares plus dilutive potential equity shares.

m Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are not recognised but are disclosed in the notes.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

SHAH & SHAH ASSOCIATES CHARTERED ACCOUNTANTS

Mundra Solar Technology Limited

n Impairment

i) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ii) Financial assets

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at amortised cost ex. loans, debt securities, deposits, trade receivables and bank balances

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

o Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 19.

ii) Defined benefit plans (gratuity benefits)

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

iii) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies

iv) Useful lives of property, plant and equipment

In case of the plant and machinery, in whose case the life of the assets has been estimated at 15 years based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support, except for major components identified during the year, depreciation on the same is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

SHAH & SHAH ASSOCIATES CHARTERED ACCOUNTANTS

Mundra Solar Technology Limited

4 Capital Work in Progress

The Capital work in progress represent incidental expenses incurred during construction period in connection with proposed project which will be capitalised on commencement of commercial production. The details of the same is as under:

Particulars	As at 31st March, 2022 (₹ in Lakhs)
Expenditure incurred during construction period:	
Expenditure for the period	
Preoperative expenditure - Salary and wages	265.23
Closing balance of capital work in Progress	**265.23**

Note : Ageing for Capital Work in Progress as at 31st March, 2022 is as follows :

	Amount in CWIP for a period of				Total
Capital Work in Progress	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	265.23	-	-	-	265.23
Projects temporary suspended	-	-	-	-	-

5 Other Non-current Assets

	As at 31st March, 2022 (₹ in Lakhs)
Capital advances	15.79
	15.79

6 Cash and Cash equivalents

	As at 31st March, 2022 (₹ in Lakhs)
Balances with banks	
In current accounts	4.68
	4.68

7 Other Current Assets

	As at 31st March, 2022 (₹ in Lakhs)
Balances with Government Authorities	47.64
	47.64

8 Share Capital

	As at 31st March, 2022 (₹ in Lakhs)
Authorised Share Capital	
10,000 equity shares of ₹ 10/- each	1.00
	1.00
Issued, Subscribed and fully paid-up equity shares	
10,000 equity shares of ₹ 10/- each	1.00
	1.00

Equity Shares

	As at 31st March, 2022	
	No. Shares	(₹ in Lakhs)
Issued during the period	10,000	1.00
Share capital change due to prior period error	-	-
Outstanding at the end of the period	**10,000**	**1.00**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

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c. Shares held by Parent Company

Out of equity shares issued by the Company, shares held by its Parent Company are as under:

	As at 31st March, 2022
Equity Shares held by parent company	
Adani Infrastructure Private Limited ("AIPL") (together with its nominees)	10,000
	10,000

d. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2022	
	No of Share	% holding in the class
Equity shares of ₹ 10 each fully paid		
Adani Infrastructure Private Limited ("AIPL") (together with its nominees)	10,000	100%
Total	**10,000**	**100%**

e. Shares held by promoters

	As at 31st March, 2022	
	No of Share	% holding in the class
Adani Infrastructure Private Limited ("AIPL") (together with its nominees)	10,000	100%
Total	**10,000**	**100%**

9 Other Equity

	As at 31st March, 2022 (₹ in Lakhs)
Retained Earnings	
Profit / (Loss) for the period	(0.25)
Closing Balance	**(0.25)**

i) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

10 Short-term loans

	As at 31st March, 2022 (₹ in Lakhs)
Unsecured loans	
From Related Parties (Refer note no. 20)	20.03
	20.03

Note:

(a) The unsecured loans from related parties carries interest rate of 9.50 % p.a. and is repayable with in 1 Year from the date of agreement.

11 Trade Payables

	As at 31st March, 2022 (₹ in Lakhs)
Trade Payables	
i. Total outstanding dues of micro enterprises and small enterprises	0.25
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	-
	0.25

Note : Ageing for Trade Payables outstanding as at 31st March, 2022 is as follows :

Sr. No.	Particulars	Outstanding for following periods from due date of Payment					Total
		Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
1	MSME	0.25	-	-	-	-	0.25
2	Others	-	-	-	-	-	-
3	Disputed Dues - MSME	-	-	-	-	-	-
4	Disputed Dues - Others	-	-	-	-	-	-

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Mundra Solar Technology Limited

12 Other Financial Liabilities

	As at 31st March, 2022 (₹ in Lakhs)
Payable for capital goods	312.27
	312.27

13 Other Current Liabilities

	As at 31st March, 2022 (₹ in Lakhs)
Statutory liabilities	0.04
	0.04

14 Other Expenses

	For the period ended on 31st March, 2022 (₹ in Lakhs)
Payment to Auditors	
Statutory Audit Fees	0.25
	0.25

15 Income Tax

The major components of income tax expense for the period ended 31st March, 2022 is under:

Income Tax Expense :

	For the period ended on 31st March, 2022 (₹ in Lakhs)
Profit / (Loss) before tax	(0.25)
Income tax using the company's domestic tax rate @ 17.16 %	**(0.04)**
Tax Effect of :	
i) Non-deductible expenses	**0.04**
Income tax recognised in profit and loss account at effective rate	-
Deferred Tax	
In respect of current period origination and reversal of temporary differences	-
	-
Total tax expenses recognised during the period	-

On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAB in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The Company has decided to opt for the reduced corporate tax @ 17.16 %. Accordingly, the Company has recognised Provision for Income Tax and has re-measured its deferred taxes as per the provisions of the Ordinance.

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16 Contingent Liabilities and Commitments (to the extent not provided for) :

	As at 31st March, 2022 (₹ in Lakhs)
(i) Contingent Liabilities :	
Based on the information available with the company, there is no contingent liability as at 31st March, 2022	Nil

(ii) Commitments :	As at 31st March, 2022 (₹ in Lakhs)
Capital Commitment (Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advance)	NIL

17 Pursuant to the Indian Accounting Standard (Ind AS- 33) – "Earnings per Share", the disclosure is as under:

Particulars		
Basic and Diluted EPS		**For the period ended on 31st March, 2022**
Profit attributable to equity shareholders	(₹ in Lakhs)	(0.25)
Weighted average number of equity shares outstanding during the period	No.	3,643.84
Nominal Value of equity share	₹	10
Basic and Diluted EPS	₹	(6.86)

18 Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

19 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 3rd May 2022 ,there were no subsequent events to be recognized or reported that are not already disclosed.

20 Related Party Transactions

The Management has identified the following entities as related parties of the company for the period ended 31st March, 2022 for the purpose of reporting as per Indian Accounting Standard 24 - "Related Party Disclosure" which are as under:

A. List of related parties and relationship

A. List of related parties and relationship

Ultimate Controlling Entity	:	S B Adani Family Trust ("SBAFT")
Parent Company	:	Adani Infrastructure Private Limited
Entities with joint control of, or significant influence over, the entity;	:	Mundra Solar PV Limited Adani Enterprises Limited
Key Management Personnel	:	Mr. Anand Balkrishna Gaur, Director (w.e.f November 9,2021) Mr. Dharmesh Arvindbhai Parekh, Director (w.e.f November 9,2021) Mr. Dhirav Hemendrakumar Shah, Director (w.e.f November 9,2021)

B. Transactions with related parties

Sr No.	Nature of Transaction	Related Party	For the period ended on 31st March, 2022 (₹ in Lakhs)
1	Share Capital Received	Adani Infrastructure Private Limited	1.00
2	Interest Expenses on Loan	Adani Enterprises Limited	0.03
3	Borrowing Taken	Adani Enterprises Limited	20.00
4	Receiving of Services	Mundra Solar PV Limited	264.66

C. Balances with related parties

Sr No.	Nature of Transaction	Related Party	As at 31st March, 2022 (₹ in Lakhs)
1	Borrowings (Loan)	Adani Enterprises Limited	20.03
2	Accounts Payables	Mundra Solar PV Limited	312.27

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21	Ratio Analysis	UOM	For the period ended on 31st March, 2022
	i) Current Ratio :		
	Current Assets (a)	(₹ in Lakhs)	52.32
	Current Liabilities (b)	(₹ in Lakhs)	332.59
	Current Ratio (a/b)	Times	0.16
	Numerator - Total Current Assets		
	Denominator - Total Current Liabilities		
	ii) Debt-Equity Ratio * :		
	Total Debt (a)	(₹ in Lakhs)	NA
	Shareholder's Equity (b)	(₹ in Lakhs)	NA
	Debt - Equity Ratio (a/b)	Times	NA
	Denominator - Total equity		
	iii) Debt Service coverage Ratio :		
	Earnings available for Debt services (a)	(₹ in Lakhs)	NA
	Interest + Installments (b)	(₹ in Lakhs)	NA
	Debt Service coverage Ratio (a/b)	Times	NA
	iv) Return on Equity Ratio * :		
	Profit after Tax (a)	(₹ in Lakhs)	NA
	Equity Shareholder's Fund (b)	(₹ in Lakhs)	NA
	Return on Equity Ratio (a/b)	%	NA
	v) Inventory Turnover Ratio * :		
	Production Cost (a)	(₹ in Lakhs)	NA
	Average Inventory (b)	(₹ in Lakhs)	NA
	Inventory Turnover Ratio (a/b)	Times	NA
	vi) Trade Receivables turnover Ratio * :		
	Annual net Credit Sales (a)	(₹ in Lakhs)	NA
	Average Accounts Receivable (b)	(₹ in Lakhs)	NA
	Trade Receivables turnover Ratio (a/b)	Times	NA
	vii) Trade Payables turnover Ratio * :		
	Annual Cost (a)	(₹ in Lakhs)	NA
	Average Accounts Payable (b)	(₹ in Lakhs)	NA
	Trade Payables turnover Ratio (a/b)	Times	NA
	viii) Net Capital turnover Ratio * :		
	Sales (a)	(₹ in Lakhs)	NA
	working capital (b)	(₹ in Lakhs)	NA
	Net Capital turnover Ratio (a/b)	Times	NA
	ix) Net Profit Ratio * :		
	Profit after Tax (a)	(₹ in Lakhs)	NA
	Sales (b)	(₹ in Lakhs)	NA
	Net Profit Ratio (a/b)	%	NA
	x) Return on Capital Employed * :		
	Earnings before Interest and Taxes (a)	(₹ in Lakhs)	NA
	Capital Employed (b)	(₹ in Lakhs)	NA
	Return on Capital Employed (a/b)	%	NA
	xi) Return on Investment * :		
	Return or Profit or Earnings (a)	(₹ in Lakhs)	NA
	Investment (b)	(₹ in Lakhs)	NA
	Numerator - Profit after tax	%	NA

Note :

* During the period under review, the Company has not started its commercial operations and implementation of the project is under progress as at 31st March 2022, therefor, disclosure of the relevant ratios as above are made accordingly.

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Mundra Solar Technology Limited

22 The Company is incorporated on 9th November, 2021 , being the first year of incorporation, previous year`s figures are not provided.

23 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on 3rd May 2022.

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

As per our report of even date

For **Shah & Shah Associates**
Chartered Accountants
Firm Registration Number : 113742W

Vasant C.Tanna
Partner
Membership No.100422

Place : Ahmedabad
Date : 3rd May 2022

For and on behalf of the Board of Directors of
Mundra Solar Technology Limited

Dharmesh Parekh
Director
DIN 08256576

Dhirav Shah
Director
DIN: 08591063

Place : Ahmedabad
Date : 3rd May 2022