Independent auditor's report on special purpose financial information prepared for consolidation purposes

Addressee	Chaturvedi & Shah LLP
From	Engagement team – Mazars Germany: Uwe Ehrsam – Partner Thorsten Hoffmann – Director Burak Sarigül - Senior Manager Bastian Albers – Manager Céline Pichereau - Manager

As requested in your instructions "Borosil Renewables Limited Audit Instructions March 31, 2022", dated March 16, 2023, we have audited, for purposes of your audit of the consolidated financial information of Borosil Renewables Limited Group, the accompanying special purpose financial information of Geosphere Glassworks GmbH as of March 31, 2023 and for the year then ended included in the accompanying financial reporting package of Borosil Renewables Limited Group. This special purpose financial information has been prepared solely to enable Borosil Renewables Limited Group to prepare its consolidated financial information.

Management's responsibility for the special purpose financial information

Management is responsible for the preparation of this special purpose financial information in accordance with policies and instructions contained in BRL's accounting manual and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. As requested, our audit procedures also included the additional procedures identified in your instructions. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial information of the group.

Basis for unqualified opinion

The conclusions reached in forming our opinion are based on the local materiality level in the context of the audit of the consolidated financial information of Geosphere Glassworks GmbH.

Unqualified Opinion

In our opinion, the accompanying special purpose financial information for Geosphere Glassworks GmbH as of March 31, 2023 and for the year then ended has been prepared, in all material respects in accordance with the policies and instructions contained in BRL's accounting manual.

Restriction on use and distribution

This special purpose financial information has been prepared for purposes of providing information to Borosil Renewables Limited Group to enable it to prepare the consolidated financial information of the group. As a result, the special purpose financial information is not a complete set of financial statements of Geosphere Glassworks GmbH in accordance with International Financial Reporting Standards as adopted by the EU and is not intended to give a true and fair view of the financial position of Geosphere Glassworks GmbH as of March 31, 2023, and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Chaturvedi & Shah LLP and should not be used by or distributed to other parties

Terms of Engagement

We issue this report on the basis of the engagement agreed with Geosphere Glassworks GmbH, which comprises the attached General Terms of Engagement for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften as of January 1, 2017, which are also applicable to third parties.

This report shall be exclusively governed by and construed in accordance with German law without giving effect to the provisions relating to private international law (Internationales Privatrecht). Exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with this report shall be Frankfurt am Main.

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Alt-Moabit 2
10557 Berlin

Uwe Ehrsam	Burak Sarigül
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Certified Public Auditor)	(German Certified Public Auditor)

May 17, 2023

GEOSPHERE GLASSWORKS GMBH

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(EURO)

	Particulars	Note No.	As at 31st March, 2023	
I.	ASSETS			
1	Non-current Assets			
(a)	Property, Plant and Equipment	6	3 516 572	
(b)	Capital Work-in-Progress	6	6 164 973	
(c)	Intangible Assets	7	41 777	
(d)	Financial Assets			
(i)	Others	8	-	
(e)	Deferred Tax Asset (net)		-	
(f)	Other Non-current Assets	9	-	9 723 322
2	Current Assets			
(a)	Inventories	10	10 075 081	
(b)	Financial Assets			
(i)	Trade Receivables	11	12 240 609	
(ii)	Cash and Cash Equivalents	12	8 155 425	
(iii)	Others	13	956 674	
(c)	Current Tax Assets (net)		62 551	
(d)	Other Current Assets	14	1 954 856	33 445 195
	TOTAL ASSETS			43 168 517
II.	EQUITY AND LIABILITIES			
	EQUITY			
(a)	Equity Share Capital	15	25 000	
(b)	Other Equity	16	4 886 886	
	Equity attributable to the Owners			4 911 886
	Non-controlling Interest			2 300 318
	Total Equity			7 212 205
	LIABILITIES			
1	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	17	17 250 000	
(ii)	Lease Liabilities		253 796	
(iii)	Other Financial Liabilities	18	615 067	
(b)	Provisions	19	5 500	
(c)	Deferred Tax Liabilities (Net)	20	-	18 124 363
2	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	21	6 600 000	
(ii)	Lease Liabilities		215 414	
(iii)	Trade Payables	22	5 637 904	
(iiv)	Other Financial Liabilities	23	3 622 910	
(b)	Other Current Liabilities	24	920 105	
(c)	Provisions	25	769 616	
(d)	Current Tax Liabilities (net)		66 000	17 831 949
	TOTAL EQUITY AND LIABILITIES			43 168 517
	Significant Accounting Policies and Notes to the Consolidated Financial Statements	1 to 43		

For and on behalf of the Board of Directors

Michael Korbik
Managing Director

Date : 22nd May, 2023
Place : Frankfurt, Germany

GEOSPHERE GLASSWORKS GMBH

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(EURO)

Particulars	Note No.	For the Year Ended 31st March, 2023
I. Income		
Revenue from Operations	26	23 491 983
Other Income	27	5 886 302
Total Income (I)		**29 378 285**
II. Expenses:		
Cost of Materials Consumed		3 937 814
Changes in Inventories of Work-in-Progress and Finished Goods	28	- 3 026 299
Employee Benefits Expense	29	6 175 906
Finance Costs	30	475 219
Depreciation and Amortisation Expense	31	425 845
Other Expenses	32	16 227 209
Total Expenses (II)		**24 215 694**
III. Profit Before Tax and Exceptional Items (I - II)		5 162 591
IV. Exceptional Items		-
V. Profit Before Tax (III - IV)		5 162 591
VI. Tax Expense:	20	
(1) Current Tax		- 20 628
(2) Deferred Tax		-
Total Tax Expenses		- 20 628
VII. Profit for the Year (V-VI)		5 183 219
VIII. Oth .		
i) Items that will not be reclassified to profit or loss:		
Re-measurement gains / (losses) on Defined Benefit Plans		-
Income Tax effect on above		-
Total Other Comprehensive Income		
IX. Total Comprehensive Income for the Year (VII + VIII)		5 183 219
X. Profit attributable to		
Owners of the Company		4 886 886
Non-controlling Interest		296 332
		5 183 219
XI. Other Comprehensive Income attributable to		
Owners of the Company		-
Non-controlling Interest		-
		-
XII. Total Comprehensive Income attributable to		
Owners of the Company		4 886 886
Non-controlling Interest		296 332
		5 183 219
XIII. Earnings per Equity Share of Re.1/- each (in EURO)	33	
- Basic		207.33
- Diluted		207.33
Significant Accounting Policies and Notes to the Consolidated Financial Statements	1 to 43	

For and on behalf of the Board of Directors

Michael Korbik
Managing Director

Date : 22nd May, 2023
Place : Frankfurt, Germany

GEOSPHERE GLASSWORKS GMBH

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital (EURO)

Particulars	As at 1st April, 2022	Changes during year	As at 31st March, 2023
Equity Share Capital	-	25 000	25 000

B. Other Equity (EURO)

Particulars	Attributable to equity owners	Non-controlling Interest	Total
	Reserves and Surplus		
	Retained Earnings		
Balance as at 1st April, 2022	-	-	-
Acquisition through Business Combination (Refer Note No 40)	-	2 003 986	2 003 986
Total Comprehensive Income	4 886 886	296 332	5 183 219
As at 31st March, 2023	**4 886 886**	**2 300 318**	**7 187 205**

For and on behalf of the Board of Directors

Michael Korbik
Managing Director

Date : 22nd May, 2023
Place : Frankfurt, Germany

GEOSPHERE GLASSWORKS GMBH

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

(EURO)

	Particulars		For the Year Ended 31st March, 2023
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax as per Statement of Profit and Loss		**5 162 591**
	Adjusted for :		
	Depreciation and Amortisation Expense	425 845	
	Interest Income	- 63 503	
	Bargain Purchase (Refer Note No 40)	- 5 409 190	
	Finance Costs	475 219	- 4 571 628
	Operating Profit before Working Capital Changes		**590 963**
	Adjusted for :		
	Trade and Other Receivables	- 87 930	
	Inventories	- 3 669 522	
	Trade and Other Payables	- 2 840 942	- 6 598 393
	Cash generated from operations		**- 6 007 430**
	Direct Taxes Paid (net)		- 39 582
	Net Cash from/(used in) Operating Activities		**- 6 047 012**
B	**Cash Flow from Investing Activities**		
	Addition in Property, Plant and Equipment		- 4 536 775
	Investment in Subsidiaries		- 6 901 010
	Interest received		63 503
	Net Cash from/(used in) Investing Activities		**- 11 374 282**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital		25 000
	Proceeds from Non-current Borrowings		17 250 000
	Interest Paid		- 67 259
	Lease Payment (Refer Note No. 38)		- 100 922
	Government Grant Received		17 901
	Net Cash flow/(used in) from Financing Activities		**17 124 720**
	Net Increase in Cash and Cash Equivalents (A+B+C)		**- 296 574**
	Opening Balance of Cash and Cash Equivalents		**-**
	Acquisition through Business Combination (Refer Note No 40)		**8 451 999**
	Closing Balance of Cash and Cash Equivalents		**8 155 425**

1 Negative figures indicates cash outflow.

2 The above statement of cash flow has been prepared under the "Indirect Method" as set out in IAS 7 "Statement of Cash Flow".

For and on behalf of the Board of Directors

Michael Korbik
Managing Director

Date : 22nd May, 2023
Place : Frankfurt, Germany

Note 1 CORPORATE INFORMATION:

The Consolidated Financial Statements comprise financial statements of Geosphere Glassworks GmbH ("GGG") ("the company"), its subsidiaries namely, GMB Glasmanufaktur Brandenburg GmbH ("GMB") for the year ended 31st March, 2023. The Company is a privte limited liability company domiciled and incorporated under the laws of Federal republic of Germany, registered with the commercial register of the local court (Amtsgericht) of Frankfurt am Main under HRB 126355, with registerd address: c/o Youco Businss Center, Amelie-Mary-Earhart-StraBe 8, 60549 Frankfurt am Main/Germany.

GMB Glasmanufaktur Brandenburg GmbH is engaged in manufacturing of solar and photovoltaic modules, greenhouse constructions and thermal collectors.

The Company has prepared its first Consolidated Financial Statements for the year ended 31st March, 2023 and therefore, there are no figures for the corresponding previous year.

For the preparation of Consolidated Financial statements of Geosphere Glassworks GmbH for the year ended 31st March, 2023, the Group has considered interim Audited Financial Statement of GMB Glasmanufaktur Brandenburg GmbH and Geosphere Glassworks GmbH.

The Consolidated Financial Statements for the year ended 31st March, 2023 were approved and adopted by Board of Directors in their meeting held on 22nd May, 2023.

Note 2 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared and presented on going concern basis and at historical cost basis, except for the following assets and liabilities, which have been measured as indicated below:

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments).
- Assets held for disposal is measured at the lower of its carrying amount and fair value less cost to sell.

The consolidated financial statements are presented in EURO, which is the Company’s functional and presentation currency and all values are rounded to the nearest EURO, except when otherwise indicated.

Note 3 BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group’s voting rights and potential voting rights and the size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

3.1 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

d) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR) through OCI.

e) Consolidated statement of profit and loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

3.2 Business combinations:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2023.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Consolidated Statement of Profit and Loss.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

3.3 Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.4 Non-controlling interests:

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.5 Loss of control:

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.6 Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equityaccounted investees are eliminated against the investment to the extent of the Group's interest in the investee.a Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Note 4 SIGNIFICANT ACCOUNTING POLICIES:

4.1 Business Combination and Goodwill/Capital Reserve:

The Group uses the pooling of interest method of accounting to account for common control business combination and acquisition method of accounting to account for other business combinations.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess amount shall be considered as bargain purchase and recognised in the statement of profit and loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Consolidated Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

In case of Pooling of interest method of accounting, the assets and liabilities of the combining entities recognises at their carrying amounts. No adjustment is made to reflect the fair value or recognise any new assets and liabilities. The financial information in the consolidated financial statements in respect of prior periods restates as if the business combination had occurred from the beginning of the preceding period. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

4.2 Property, Plant and Equipment:

Property, plant and equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation, amortisation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

— Buildings:	3-30 years
— Plant and Machinery:	10 years
— Furniture and Fixtures:	10 years
— Vehicles:	8 Years
— Office Equipments:	3-5 Years

Depreciation on property, plant and equipment which are added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from consolidated financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss in the year of occurrence.

4.3 Intangible Assets:

Intangible assets are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised on a straight line method over the period of three years. The assets' useful lives and method of depreciation are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

4.4 Leases:

Group evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement. Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Group is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if Group is reasonably certain not to exercise that options. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Group as a lessee

Group's lease asset classes primarily consist of leases for land and buildings. Group assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, Group assesses whether: (i) the contract involves the use of an identified asset (ii) Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) Group has the right to direct the use of the asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

4.5 Inventories:

Inventories are valued at the lower of cost and net realizable value except scrap (cullet), which is valued at raw material cost, where it is re-usable, otherwise at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost of packing materials and stores, spares and consumables are computed on the weighted average basis.

4.6 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash 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 as they are considered an integral part of the Group's cash management.

4.7 Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the consolidated Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4.8 Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

4.9 Discontinued operation and non-current assets (or disposal groups) held for sale:

Discontinued operation:

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit and loss.

Non-current assets (or disposal groups) held for sale:

Non-current assets 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 a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Consolidated Statements of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

4.10 Financial instruments – initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets -Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at **amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured **at fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition:

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Group's consolidated statement of financial position) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flow from the asset.

Impairment of financial assets

In accordance with IFRS 9, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition:

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

4.11 Provisions, Contingent Liabilities, Contingent assets and Commitments:

Provisions are recognised when the Group 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. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the consolidated statement of profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the consolidated financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

4.12 Revenue recognition and other income:

Sale of goods and Services:

The Group derives revenues primarily from sale of products comprising of solar and photovoltaic modules, greenhouse constructions and thermal collectors.

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 entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, scheme discount and price concessions , if any, as specified in the contract with the customer.

Contract balances:

Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest Income:

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

Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the consolidated statement of profit or loss.

4.13 Foreign currency reinstatement and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in consolidated statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

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 transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

4.14 Employee Benefits:

Short term employee benefits are recognized as an expense in the consolidated statement of profit and loss of the year in which the related services are rendered.

A defined benefit plans is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in consolidated statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

4.15 Taxes on Income:

Income tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses, unutilised tax credits and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses, unutilised tax credits and allowances can be utilised. 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 that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

4.16 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

4.17 Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders’ and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholder’ and weighted average number of equity and potential equity shares outstanding during the year. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

4.18 Current and non-current classification:

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with IAS 1, notified by IASB.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) 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 classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets / liabilities are classified as non-current assets / liabilities. The Group has identified twelve months as its normal operating cycle.

4.19 Fair value measurement:

The Group measures financial instruments at fair value at each balance sheet date.
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

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 Group 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 consolidated financial statements are categorised within the fair value hierarchy.

4.20 Government Grant:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognised by adjusting the grant with the related costs which they are intended to compensate in the statement of profit and loss. Where the grant relates to an asset, it is recognised by deducting the grant from the value of respective asset to arrive at carrying amount.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, 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. 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. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Note 5.1 Property, Plant and Equipment, Investment Properties and Other Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

5.2 Income Tax:

Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements. The Group has carry forward tax losses that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the consolidated statement of profit and loss.

5.3 Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

5.4 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5.5 Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

5.6 Defined benefits plans:

The Cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.7 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

5.8 Revenue Recognition:

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

5.9 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

5.10 Fair value measurement of financial instruments:

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

5.11 Classification of Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Group is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that options. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Note - 6 Property, Plant and Equipment (EURO)

Particulars	Right to use	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	Capital Work-in-Progress
GROSS BLOCK									
Balance as at 1st April, 2022	-	-	-	-	-	-	-	-	
Acquisition through Business Combination (Refer Note No 40)	559 229	1 343 880	327 587	478 094	239 555	380 934	269 745	3 599 023	
Additions	-	-	-	79 705	996	-	88 972	169 673	
Disposals/Adjustment	-	-	-	17 901	-	-	-	17 901	
As at 31st March, 2023	**559 229**	**1 343 880**	**327 587**	**539 897**	**240 551**	**380 934**	**358 717**	**3 750 795**	
DEPRECIATION									
Balance as at 1st April, 2022	-	-	-	-	-	-	-	-	
Depreciation	94 770	-	8 492	38 470	12 732	21 791	57 969	234 223	
Disposals	-	-	-	-	-	-	-	-	
As at 31st March, 2023	**94 770**	**-**	**8 492**	**38 470**	**12 732**	**21 791**	**57 969**	**234 223**	
NET BLOCK:									
Balance as at 1st April, 2022	-	-	-	-	-	-	-	-	
As at 31st March, 2023	**464 458**	**1 343 880**	**319 096**	**501 427**	**227 820**	**359 143**	**300 748**	**3 516 572**	**6 164 973**

6.1 Refer Note No. 34.2 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

6.2 In accordance with the International Accounting Standard (IAS 36) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IAS. On the basis of review carried out by the management, there was no indication exist that property, plant and equipment may be imparied during the year ended 31st March, 2023.

Note - 7 Other Intangible Assets

(EURO)

Particulars	Computer Software
GROSS BLOCK:	
Balance as at 1st April, 2022	-
Acquisition through Business Combination (Refer Note No 40)	213 521
Additions	19 878
Disposals	-
As at 31st March, 2023	233 399
AMORTISATION:	
Balance as at 1st April, 2022	-
Amortisation	191 622
Disposals	-
As at 31st March, 2023	191 622
NET BLOCK:	
Balance as at 1st April, 2022	-
As at 31st March, 2023	41 777

* Other than self generated.

Note - 8 Non-current Financial Assets - Others

(EURO)

Particulars	As at 31st March, 2023
Unsecured, Considered Good :	
Non-current Financial Assets - Others	-
Total	-

Note - 9 Other Non-current assets

(EURO)

Particulars	As at 31st March, 2023
Unsecured, Considered Good :	
Other Non-current assets	-
Total	

Note - 10 Inventories

(EURO)

Particulars	As at 31st March, 2023
Raw Materials	682 793
Work-in-Progress	728 861
Finished Goods	6 785 144
Stores, Spares and Consumables	1 299 563
Packing Material	174 205
Scrap (Cullet) and Rejected Glass	404 515
Total	10 075 081

10.1 For mode of valuation of Inventories, Refer Note No. 4.5.

Note - 11 Current Financial Assets - Trade Receivables

(EURO)

Particulars	As at 31st March, 2023
Unsecured :	
Trade Receivables considered Good (Refer Note No 35)	12 240 609
Total	12 240 609

Note - 12 Cash and Cash Equivalents

(EURO)

Particulars	As at 31st March, 2023
Balances with Banks in current accounts	8 154 024
Cash on Hand	1 401
Total	8 155 425

12.1 For the purpose of the statement of Cash flow, cash and cash equivalents comprise the followings:

(EURO)

Particulars	As at 31st March, 2023
Balances with Banks in current accounts	8 154 024
Cash on Hand	1 401
Total	**8 155 425**

Note - 13 Current Financial Assets - Others

(EURO)

Particulars	As at 31st March, 2023
Unsecured, Considered Good:	
Security Deposits	6 312
Others	950 361
	956 674

13.1 Other includes claim receivables from Energy.

Note - 14 Other Current Assets

(EURO)

Particulars	As at 31st March, 2023
Unsecured, Considered Good :	
Advances against supplies	396 223
Outstanding CO2 Certificates	1 025 943
VAT Balance	240 344
Others	292 346
Total	**1 954 856**

14.1 Other includes prepaid insurance etc.

Note - 15 Equity Share Capital

(EURO)

Particulars	As at 31st March, 2023
Authorised	
Equity Share Capital	
25'000 Equity Shares of EURO 1/- each fully paid up	25 000
Total	**25 000**
Issued, Subscribed & Fully Paid up	
25'000 Equity Shares of EURO 1/- each fully paid up	25 000
Total	**25 000**

15.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

Particulars	As at 31st March, 2023 (in Nos.)
Shares outstanding at the beginning of the year	-
Share Issued during the year	25 000
Shares outstanding at the end of the year	**25 000**

15.2 Terms/Rights attached to Equity Shares :

The Company has only one class of shares referred to as equity shares having a par value of EURO 1/- per share. Holders of equity shares are entitled to one vote per share. The company declares and pays dividends in EURO.

Note - 16 Other Equity

(EURO)

Particulars		As at 31st March, 2023
Retained Earnings		
As per Last Balance Sheet		
Add: Profit for the year	4 886 886	
Amount available for appropriation	**4 886 886**	**4 886 886**
Total		**4 886 886**

16.1 Nature and Purpose of Reserve

I Retained Earnings

Retained earnings represents the accumulated profits / (losses) made by the Company over the years.

Note - 17 Non-current financial liabilities - Borrowings

(EURO)

Particulars	As at 31st March, 2023
Secured	
Borrowing from Bank	6 000 000
Unsecured	
Borrowings from Borosil Renewables Limited (Holding Company) (Refer Note No. 35)	11 250 000
Total	**17 250 000**

17.1 Borrowing from Hong Kong and Shanghai Banking Corporation Limited (HSBC Bank) of EURO 6'000'000 is secured by an irrevocable Standby Letter of Credit from the HSBC Bank commissioned by Borosil Renewables Limited. The said borrowing shall be repaid in 20 equal quarterly instalments commencing from June 2024 and ending on February 2029. The said borrowing carries interest rate @ EURIBOR (3 months) plus 215 basis points.

17.2 Borrowings from Borosil Renewables Limited (Holding Company) EURO 11'250'000 (together with all accrued interest) shall be repaid in full by the Geosphere Glassworks GmbH by no later than a date falling 2 year after the utilization date. The said borrowings carries interest rate @ 7.15% and 7.25% p.a.

Note - 18 Non-current Financial Liabilities

(EURO)

Particulars	As at 31st March, 2023
Interest accrued but not due on borrowings (Refer Note No. 35)	305 825
Amount payable to HS Timber (Deferred Consideration)	309 242
Total	**615 067**

18.1 In pursuant of share purchase agreement dated 21st October 2022, an additional amount of consideration required to be determined on the basis of the performance of GMB Glasmanufaktur Brandenburg GmbH in CY 2024, CY 2025 and CY 2026 equivalent to 20% of EBIT of GMB Glasmanufaktur Brandenburg GmbH. Based on the estimates, the said liability has been recognised and shown under the head of non current financial liabilities.

Note - 19 Non-current Financial Liabilities - Provisions

(EURO)

Particulars	As at 31st March, 2023
Non-current Financial Liabilities - Provisions	5 500
Total	**5 500**

Note - 20 Income Tax

20.1 The major components of Income Tax Expenses for the year ended 31st March, 2023 is as follows:

(EURO)

Particulars	As at 31st March, 2023
Recognised in Statement of Profit and Loss :	
Current Income Tax	- 20 628
Deferred Tax - Relating to origination and reversal of temporary differences	
Total Tax Expenses	- 20 628

20.2 Reconciliation between tax expenses and accounting profit multiplied by tax rate for the year ended 31st March, 2023:

(EURO)

Particulars	As at 31st March, 2023
Accounting profit before tax	5 162 591
Applicable tax rate	28.08%
Computed Tax Expenses	1 449 656
Tax effect on account of:	
Bargain Purchase	-1 518 900
Corporate and Trade Tax losses	
Other deductions / allowances	48 617
Income tax expenses recognised in statement of profit and loss	- 20 628

20.2 Deferred tax liabilities relates to the followings:

(EURO)

Particulars	Balance Sheet	Statement of profit and loss
	As at 31st March, 2023	For the Year Ended 31st March, 2023
Corporate and Trade Tax losses		
Total		

20.3 Reconciliation of deferred tax liabilities (net):

(EURO)

Particulars	As at 31st March, 2023
Opening balance as at 1st April	-
Deferred Tax Expenses recognised in statement of profit and loss	
Closing balance as at March	

20.4 The Group has recognised the deferred tax assets for all deductible temporary differences to the extend that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The said taxable profit has been computed based on projections which is a based on best estimates, judgements and assumptions.

Note - 21 Current financial liabilities - Borrowings

(EURO)

Particulars	As at 31st March, 2023
Unsecured	
Borrowing from Interfloat Corporation (Refer Note No. 35)	6 600 000
Total	**6 600 000**

21.1 Borrowings from Interfloat Corporation of EURO 6'600'000 shall be repaid in full by the GMB Glasmanufaktur Brandenburg GmbH ("GMB") by 31st December, 2023. The said borrowing carries interest rate @ 3M-Euribor plus 1.70% p.a. margin.

Note - 22 Current Financial Liabilities - Trade Payables

(EURO)

Particulars	As at 31st March, 2023
Trade Payables	5 637 904
Total	**5 637 904**

Note - 23 Current Financial Liabilities - Others

(EURO)

Particulars	As at 31st March, 2023
Interest accrued but not due on borrowings	83 000
Creditors for Capital Goods	1 005 463
Deposits	1 373
Other Payables	2 533 073
	3 622 910

23.1 Other includes mainly liabilities towards employees and provision for energy cost.

Note - 24 Other Current Liabilities

(EURO)

Particulars	As at 31st March, 2023
Advance from Customers	109 724
Statutory liabilities	134 344
Liability towards CO2 emission	676 038
Total	**920 105**

Note - 25 Current Provisions

(EURO)

Particulars	As at 31st March, 2023
Provisions for Employee Benefits	764 616
Provisions for others	5 000
Total	**769 616**

Note - 26 Revenues from Operations

(EURO)

Particulars	For the Year Ended 31st March, 2023
Sale of Products	23 490 376
Other Operating Revenue	1 607
Revenue from Operations	23 491 983

Note - 27 Other Income

(EURO)

Particulars	For the Year Ended 31st March, 2023
Interest Income from Financial Assets measured at amortised cost	
- Others	63 503
Bargain Purchase (Refer Note No 40)	5 409 190
Miscellaneous Income	413 609
Total	5 886 302

Note - 28 Changes in Inventories of Work-in-progress and Finished Goods

(EURO)

Particulars	For the Year Ended 31st March, 2023
At the end of the Year	
Work-in-Progress	728 861
Finished Goods	6 785 144
	7 514 005
At the beginning of the Year	
Work-in-Progress	1 027 290
Finished Goods	3 460 415
	4 487 706
(Increase)/Decrease in Inventories	- 3 026 299

Note - 29 Employee Benefits Expense

(EURO)

Particulars	For the Year Ended 31st March, 2023
Salaries, Wages & allowances	4 949 537
Staff Welfare Expenses	1 226 369
Total	6 175 906

Note - 30 Finance Cost

(EURO)

Particulars	For the Year Ended 31st March, 2023
Interest Expenses on financial liabilities measured at amortised cost	456 084
Interest Expenses on account of fair valuation of liabilities	8 232
Interest Expenses on Finance lease liabilities (Refer Note No. 38)	10 904
Total	475 219

Note - 31 Depreciation and amortisation Expenses

(EURO)

Particulars	For the Year Ended 31st March, 2023
Depreciation of Property, Plant and Equipment (Refer Note No. 6)	234 223
Amortisation of intangible assets (Refer Note No. 7)	191 622
Total	**425 845**

Note - 32 Other Expenses

(EURO)

Particulars	For the Year Ended 31st March, 2023
Manufacturing and Other Expenses	
Consumption of Stores and Spares	801 162
Power & Fuel	9 405 248
Packing Materials Consumed	463 517
Contract Labour Expenses	743 329
Job Processing Charges	8 427
Repairs to Machinery	615 658
Repairs to Buildings	11 119
Selling and Distribution Expenses	
Sales Promotion and Advertisement Expenses	126 231
Administrative and General Expenses	
Rent	68 262
Rates and Taxes	69 360
Other Repairs	1 094
Insurance	279 265
Legal and Professional Fees	2 830 957
Travelling	62 435
Payment to Auditors	152 843
Donation	
Miscellaneous Expenses	588 301
Total	**16 227 209**

Note - 33 Earnings Per Equity share (EPS)

(EURO)

Particulars	For the Year Ended 31st March, 2023
Net profit for the year attributable to Equity Shareholders for Basic EPS (EURO)	5 183 219
Weighted average number of equity shares outstanding during the year for Basic EPS (in Nos.)	25 000
Weighted average number of equity shares outstanding during the year for Diluted EPS (in Nos.)	25 000
Earnings per share of EURO 1 each (EURO)	
- Basic	207.33
- Diluted	207.33
Face value per equity share (EURO)	1.00

Note - 34 Contingent Liabilities and Commitments

34.1 Contingent Liabilities (To the extent not provided for)

Claims against the Group not acknowledged as debts (EURO)

Particulars	As at 31st March, 2023
Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)	-

34.2 Commitments

(EURO)

Particulars	As at 31st March, 2023
Estimated amount of Contracts remaining to be executed on Capital Account not provided for (cash outflow is expected on execution of such capital contracts)	
-- Related to Property, Plant and Equipment	8 460 490

Note - 35 Related party disclosure

In accordance with the requirements of IAS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year, are as detail below:

35.1 List of Related Parties :

Name of the related party

(a) Holding Company
Borosil Renewables Limited

(b) Fellow Subsidiaries
Interfloat Corporation ("IF")
Laxman AG ("LA")

(c) Key Management Personnel
Nico Succolowsky - Managing Director of GMB Glasmanufaktur Brandenburg GmbH ("GMB")
Torsten Frohner - Chief Financial Officer of GMB Glasmanufaktur Brandenburg GmbH ("GMB")

35.2 Transaction with related parties

(EURO)

Nature of Transactions	Name of the Related Party	2022-23
Transaction with Utimate Holding Company		
Purchase of Goods	Borosil Renewables Limited	34 127
Interest Expenses on borrowings	Borosil Renewables Limited	3 05 825
Reimbursement of expenses to	Borosil Renewables Limited	9 14 487
Guarantee Commission Expenses	Borosil Renewables Limited	19 982
Borrowing Taken	Borosil Renewables Limited	1 12 50 000
Issue of Share Capital	Borosil Renewables Limited	25 000
Transactions with fellow subsidiaries Companies:		
Interest Expenses on borrowings	Interfloat Corporation	1 44 853
.	Interfloat Corporation	2 34 90 376
Transactions with other related parties:		
Managerial Remuneration	Nico Succolowsky	73 227
	Torsten Frohner	13 805

(EURO)

Nature of Transactions	Name of the Related Party	2022-23
Balances with Holding Company:		
Non current Financial Liabilities-Borrowings	Borosil Renewables Limited	1 12 50 000
Non current Financial Liabilities- Interest accrued but not due on borrowings	Borosil Renewables Limited	3 05 825
Trade Payable	Borosil Renewables Limited	9 34 469
Balances with fellow subsidiaries Companies:		
Current Financial Liabilities- Interest accrued but not due on borrowings	Interfloat Corporation	77 594
Trade Receivables	Interfloat Corporation	1 22 39 923

35.3 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note - 36 Fair Values

36.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets designated at amortised cost:- (EURO)

Particulars	As at 31st March, 2023	
	Carrying Value	Fair Value
Financial Assets designated at amortised cost:-		
- Trade Receivables	12 240 609	12 240 609
- Cash and cash equivalents	8 155 425	8 155 425
- Others	956 674	956 674
	21 352 707	21 352 707

b) Financial Liabilities designated at amortised cost:-

(EURO)

Particulars	As at 31st March, 2023	
	Carrying Value	Fair Value
Financial Liabilities designated at amortised cost:-		
- Non-current Borrowings	17 250 000	17 250 000
- Non-current Lease Liabilities	253 796	253 796
- Other Non-current Financial Liabilities	615 067	615 067
- Current Borrowings	6 600 000	6 600 000
- Current Lease Liabilities	215 414	215 414
- Trade Payable	5 637 904	5 637 904
- Other Financial Liabilities	3 622 910	3 622 910
	34 195 091	34 195 091

36.2 Fair Valuation techniques used to determine fair value

The Group maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

i) Fair value of cash and cash equivalents, trade receivables, trade payables and current borrowings and other current financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair values of other non-current liabilities is approximate at their carrying amount due to discounting/interest bearing features of this liabilities.

iii) The Group 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.

Note - 37 Financial Risk Management objective and policies

The Group is exposed to market risk, credit risk and liquidity risk. Risk management plan defines how risks associated with the Group will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the respective Company in the Group and provides templates and practices for recording and prioritising risks. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties. The results of these activities ensure that risk management plan is effective in the long term.

37.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis is given relate to the position as at 31st March 2023.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Group’s activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2023.

(a) Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business only in EURO and therefore the Group does not exposed to foreign currency risk.

b) Interest rate risk and sensitivity :-

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 Group is having non current borrowings from related party and non current borrowing from the banks. There is a fixed rate of interest in case of non current borrowing and currency borrowing hence, there is no interest rate risk associated with this borrowing. The Group is exposed to interest rate risk associated with non current borrowings from the Bank due to floating rate of interest.

The table below illustrates the impact of a 1% increase in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

(EURO)

Particulars	2022-23	
	1% Increase	1% Decrease
Borrowing from the Bank	- 60 000	60 000
Increase / (Decrease) in profit before tax	- 60 000	60 000

c) Commodity price risk:-

The Company is exposed to price increase in raw materials and energy cost in domestic and international markets. To limit the price risk the Company is hedging purchase prices in the field of energy for a significant level of consumption. The Company is also using short term fixed price contracts where applicable. In this respect the Company is not exposed to supererogatory commodity price risk.

37.2 Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily from its financing activities. The Group is having minimal risk from its trade receivable.

a) Trade Receivables:-

The Group sells almost its entire manufacturing production to its fellow subsidiary, Interfloat Corporation. Interfloat corporation played distribution role for GMB and sells its product in different countries in Europe. In this case, Interfloat Corporation aborb the risk of non-recovery of the due from trade receivable, wherein GMB is free from the risk on account of recovery since there is no much of risk associated with recovery of the amount from Interfloat Corporation. Even after considering the above, the Group measures the expected credit loss of trade receivables based on historical trand.

The Group extends credit to customer in normal course of business. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables, as it has only one customer. Revenue of EURO 23'490'376 from customers represents more than 10% of the company revenue for the year ended 31st March, 2023. There is no provision for doubtful debts is required considering the history of trade receivables. Therefore, the Group does not expect any material risk on account of non performance by any of the counterparties.

The Group has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made.

(EURO)

Particulars	As at 31st March, 2023	
	Gross Carrying Amount	Loss Allowance
Trade Receivables	12 240 609	-

b) Financial instruments and cash deposits:-

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. The Group does not maintain significant cash in hand.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

37.3 Liquidity risk.

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group’s objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies operating cash flows, borrowings from banks and borrowings from its related party to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(EURO)

Particulars	Maturity				Total
	0 - 3 Months	3 - 6 Months	6 - 12 months	More than 1 year	
As at 31st March, 2023					
Non current borrowings	-	-	-	17 250 000	17 250 000
Non Current lease liabilities	-	-	-	253 796	253 796
Other Financial Liabilities	-	-	-	615 067	615 067
Short term borrowings			6 600 000		6 600 000
Current lease liabilities	54 258	55 025	106 131	-	215 414
Trade Payable	5 637 904	-	-	-	5 637 904
Other financial liabilities	3 622 910	-	-	-	3 622 910
Total	9 315 072	55 025	6 706 131	18 118 863	34 195 091

37.4 Competition and price risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note - 38 Leases

As per IFRS 16 'Leases', the disclosures of lease are given below:

(i) Following are the amounts recognised in Consolidated Statement of Profit & Loss:

(EURO)

Particulars	As at 31st March, 2023
Depreciation expense for right-of-use assets	94 770
Interest expense on lease liabilities	10 904
Total amount recognised	**105 674**

(ii) The following is the movement in lease liabilities during the year:

(EURO)

Particulars	As at 31st March, 2023
Opening Balance	-
Addition during the year (on adoption of IFRS 16)	559 229
Finance cost accrued during the year	10 904
Payment of lease liabilities	- 100 922
Closing Balance	**469 210**

(iii) The following is the contractual maturity profile of lease liabilities:

(EURO)

Particulars	As at 31st March, 2023
Less than one year	215 414
One year to five years	253 796
Closing Balance	**469 210**

(iv) Lease liabilities carry an effective interest rate is in the range of 5.62%. The average lease term is in the range of 1-5 years.

Note - 39 Interests in other entities

39.1 The consolidation financial statements of the Group includes subsidiary listed in the table below:-

Name	Principal Activities	Country of Incorporation	% equity As at 31st March, 2023
GMB Glasmanufaktur Brandenburg GmbH ("GMB")	Manufacturer of of solar and photovoltaic modules, greenhouse constructions and thermal collectors	Germany	86.00%

During the year, the Geosphere Glassworks GmbH has acquired 86% control of GMB. Accordingly, GMB becomes subsidiary of the Company.

39.2 Non-controlling interests (NCI)

Financial information of subsidiary that have material non-controlling interests is provided below:-

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation	% equity interest As at
GMB Glasmanufaktur Brandenburg GmbH ("GMB")	Germany	14.00%

Summarised financial Information:-

Summarised financial Information for each subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised Balance Sheet	(EURO) GMB As at 31st March, 2023
Current assets	33 260 699
Current Liabilities	16 793 879
Net current assets / (liabilities)	**16 466 820**
Non-current assets	9 723 322
Non-current liabilities	9 759 296
Net non-current assets	**- 35 974**
Net assets	**16 430 845**
Accumulated NCI	**2 300 318**

Summarised Statement of profit and loss	(EURO) GMB As at 31st March, 2023
Revenue from operations	23 491 983
Profit for the year	2 116 660
Other Comprehensive income	
Total comprehensive income	**2 116 660**
Profit allocated to NCI	296 332

Note - 40 Business Combination

40.1 Acquisition during the year ended 31st March, 2023

Summary of acquisition

On 21st October, 2022, the Company acquired 86% of voting shares of GMB Glasmanufaktur Brandenburg GmbH ("GMB"), based in Germany and leading manufacturing of solar and photovoltaic modules, greenhouse constructions and thermal collectors.

Purchase Consideration

Total purchase consideration of EURO 5'500'000 for acquisition of GMB Glasmanufaktur Brandenburg GmbH ("GMB") is paid in cash and additional consideration amount to be determined on the basis of the performance of the IF in CY 2024, CY 2025 and CY 2026, equivalent to 20% of EBIT of GMB, the carrying amount of the said considration is EURO 301'010. An additional amount of EURO 1'100'000 has been paid to the existing minority shareholder "Blue Minds".

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of GMB Glasmanufaktur Brandenburg GmbH ("GMB") as at the date of acquisition were:

	(EURO)
Particulars	Fair Value recognised on acquisition
	GMB
Assets	
Property, plant and equipment	3 599 023
Intangible assets	213 521
Capital work in progress	812 285
Inventories	6 405 559
Trade receivable	12 100 137
Cash and cash equivalents	8 451 999
Other current financial assets	1 695 433
Current tax assets	2 341
Other current assets	1 268 639
Deferred tax assets	
	34 548 937
Liabilities	
Borrowings	6 600 000
Non-current lease liabilities	339 999
Non-current provision	5 500
Current lease liabilities	219 229
Trade payable	9 047 607
Current financial liabilities	2 312 086
Other current liabilities	1 023 911
Provisions	620 419
Current tax liabilities	66 000
	20 234 751
Net identifiable assets at fair value	14 314 186

Calculation of Bargin Purchase	(EURO)
Particulars	GMB
Consideration transferred	6 901 010
Less:- Net Identifiable assets acquired	14 314 186
Less:- Non-controlling interest in the acquired entity	2 003 986
Bargin Purchase	-5 409 190

The Bargin Purchase of EURO 5'409'190 has been recoganised in the consolidated statement of profit and loss.

Non-controlling Interest:-

For non-controlling interest in GMB Glasmanufaktur Brandenburg GmbH ("GMB"), the Company elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

Revenue and Profit Contribution:-

GMB Glasmanufaktur Brandenburg GmbH ("GMB") has contributed revenue of EURO 23'490'376 and profit after tax of EURO 958'822 for the period from 1st November, 2022 to 31st March, 2023.

Acquisition related costs:-

Acquisition related costs of EURO 914'487 were not directly attributable to the issue of shares are included in other expenses in statement of profit and loss and in operating cash flows in the statement of cash flows.

Note - 41 Capital Management

For the purpose of Group's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Group's capital management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.

(EURO)

Particulars	As at 31st March, 2023
Total Debt	23 850 000
Less:- Cash and cash equivalent	8 155 425
Net Debt	**15 694 575**
Total Equity (Equity Share Capital plus Other Equity)	**4 911 886**
Total Capital (Total Equity plus net debt)	**20 606 461**
Gearing ratio	**76.16%**

Note - 41 Segment Information

41.1 The Group is engaged only in the manufacturing of solar and photovoltaic modules, greenhouse constructions and thermal collectors, which is a single segment in terms of International Accounting Standard 'Operating Segments (IFRS 8).

41.2 Revenue from Operations (EURO)

Particulars	As at 31st March, 2023
Germany	1 607
Outside Germany	23 490 376
	23 491 983

41.3 Revenue of EURO 23'490'376 from customers represents more than 10% of the company revenue for the year ended 31st March, 2023.

41.4 No Non-Current Assets of the Group is located outside Germany as on 31st March, 2023.

Note - 42 Standrds issued but not yet effective.

Note - 43 The Company has prepared its first Consolidated Financial Statements for the year ended 31st March, 2023 and therefore, there are no figures for the corresponding previous year.

Michael Korbik
Managing Director