

## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of

### Regreen-Excel EPC India Ltd

(Formerly known as "Regreen Excel EPC India Pvt. Ltd.)

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

#### Background

This report is issued in accordance with the terms of our engagement letter dated February 16, 2024.

The accompanying report states our opinion on the special purpose audit conducted for the **Regreen-Excel EPC India Ltd** (Formerly known as "Regreen Excel EPC India Pvt. Ltd.) (the "Company"), on the request of the company as per the Companies Act, 2013 for the purpose of inclusion in the Restated Ind AS financial statements which will be prepared in connection with the filing of Draft red herring prospectus("DRHP"), Red herring prospectus("RHP") and Prospectus for the proposed issue of equity shares of the company by way of offer for sale and fresh issue of equity shares.

#### Opinion

We have audited the accompanying Special Purpose Standalone Financial Statements of **Regreen-Excel EPC India Ltd** (Formerly known as "Regreen-Excel EPC India Pvt. Ltd.) ("the Company"), which comprise the Balance Sheet as at March 31, 2023 & March 31, 2022, Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity for the year then ended March 31, 2023 & March 31, 2022, including a summary of material accounting policies and other explanatory information and disclosures.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 & March 31, 2022 and its profit and other comprehensive income, changes in equity and its cash flows for the period ended on those dates.

#### Basis for Opinion



**Regreen-Excel EPC India Ltd**  
**Auditors' Report on Special Purpose Standalone Financial Statement**

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the respective periods. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Principle Audit Procedure
<p><b>Revenue Recognition</b></p> <p>There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition on contracts with customers. The Company recognizes revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/ loss therefore rely on estimates in relation to total estimated costs of each contract.</p>	<p>Our audit procedures related to the revenue recognition includes the following amongst others:</p> <ul style="list-style-type: none"> <li>i. Testing of the design and implementation of controls involved in the determination of the estimates used as well as their operating effectiveness;</li> <li>ii. Testing a sample of contracts for appropriate identification of performance obligations and verification of contract value;</li> <li>iii. For the sample selected, matching the contract revenue, actual invoices recorded and actual cost incurred against each project on the basis of which revenue is recognized;</li> <li>iv. Reviewed on a test check basis significant change in cost to complete estimates and the reasons for such</li> </ul>



	revisions in estimates;
--	-------------------------

### **Management's Responsibility for the Special Purpose Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Special Purpose Standalone Financial Statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Standalone Financial Statements**

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

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

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

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

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

**Regreen-Excel EPC India Ltd**  
**Auditors' Report on Special Purpose Standalone Financial Statement**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the respective periods and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this report we have complied with the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Restriction on Distribution and Use**

Our report is intended solely for use of the Board of Directors of the Company and for the purpose of preparation of Restated IND AS Financial Statements for inclusion in the DRHP, RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and use by the Company for preparation of its first set of the complete standalone Ind AS financial statement. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the statement.

**For Kirtane & Pandit LLP,**  
**Chartered Accountants**

Firm Registration No.105215W/W100057

*Akshay Purandare*

**Akshay B. Purandare**

Partner

Membership No. 141984

UDIN: 24141984BKAFBT9818



Place: Pune

Date: 25<sup>th</sup> July, 2024

**REGREEN - EXCEL EPC INDIA LIMITED**  
(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")  
**Special Purpose Balance Sheet**  
(All amounts in Indian Rupees millions, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	183.73	13.21	-
Right-of-use assets	4	47.67	21.89	8.72
<b>Financial assets</b>				
(i) Investments	5	0.99	0.99	0.99
(ii) Other financial assets	6	58.05	113.18	0.65
Non-current tax assets (net)	33 (c)	14.95	3.19	0.02
Deferred tax assets (net)	33 (d)	2.45	-	-
<b>Total non-current assets</b>		<b>307.84</b>	<b>152.46</b>	<b>10.38</b>
<b>Current assets</b>				
Inventories	7	1,043.04	335.55	23.37
<b>Financial assets</b>				
(i) Trade receivables	8	1,659.95	422.56	-
(ii) Cash and cash equivalents	9	124.26	66.05	0.16
(iii) Bank balances other than (ii) above	10	35.80	-	-
(v) Other financial assets	11	1,082.74	982.07	3.59
Other current assets	12	955.30	403.76	4.32
<b>Total current assets</b>		<b>4,901.09</b>	<b>2,209.99</b>	<b>31.44</b>
<b>Total assets</b>		<b>5,208.93</b>	<b>2,362.45</b>	<b>41.82</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	1.00	1.00	1.00
Other equity	14	328.94	95.39	4.97
<b>Total equity</b>		<b>329.94</b>	<b>96.39</b>	<b>5.97</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	15	5.78	1.36	-
(ii) Lease liabilities	16	38.25	16.75	5.99
Provisions	17	1.58	0.07	-
Deferred tax liabilities (net)	33 (d)	-	1.63	-
<b>Total non-current liabilities</b>		<b>45.61</b>	<b>19.81</b>	<b>5.99</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	18	1.57	0.30	1.00
(ii) Lease liabilities	19	12.08	5.56	2.63
(iii) Trade payables	20			
a) total outstanding dues of micro enterprises and small enterprises		206.52	153.83	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,606.77	834.99	2.30
(iv) Other financial liabilities	21	21.12	1.39	0.07
Other current liabilities	22	2,985.31	1,250.18	23.86
Provisions	23	0.01	-	-
<b>Total current liabilities</b>		<b>4,833.38</b>	<b>2,246.25</b>	<b>29.86</b>
<b>Total liabilities</b>		<b>4,878.99</b>	<b>2,266.06</b>	<b>35.85</b>
<b>Total equity and liabilities</b>		<b>5,208.93</b>	<b>2,362.45</b>	<b>41.82</b>

Summary of material accounting policies  
Notes to the financial statements

2  
3 to 51

The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No. 105215W/W100057

*Akshay Purandare*

Akshay B. Purandare  
Partner  
Membership No. 141984



Place: PUNE  
Date: 25/07/2024

For and on behalf of the Board of Directors of  
REGREEN - EXCEL EPC INDIA LIMITED  
CIN: U29294PN2020PLC193834

*Sanjay Desai*  
Sanjay Desai  
Chairman & Managing Director  
DIN: 01686615

*Tushar Patil*  
Tushar Patil  
Whole Time Director  
DIN: 07090621

*Ashish Dubey*  
Ashish Dubey  
Chief Financial Officer

*Hiren Shah*  
Hiren Shah  
Company Secretary



25th July, 2024

**REGREEN - EXCEL EPC INDIA LIMITED**  
(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")  
**Special Purpose Statement of Profit and Loss**  
(All amounts in Indian Rupees millions, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations			
Other Income	24	10,784.36	4,017.26
<b>Total income</b>	25	14.64	28.79
<b>Expenses</b>			
Cost of material consumed			
Manufacturing and operating expenses	26	8,891.54	3,870.89
Changes in inventories of site work-in-progress	27	2,018.84	356.23
Employee benefits expense	28	(707.49)	(312.18)
Finance costs	29	189.89	3.06
Depreciation and amortisation expense	30	7.82	3.76
Other expenses	31	22.77	3.96
<b>Total expenses</b>	32	65.13	8.71
<b>Profit/(Loss) before exceptional items and tax</b>		<b>10,488.50</b>	<b>3,934.43</b>
<b>Profit/(Loss) before tax</b>		<b>310.50</b>	<b>111.62</b>
<b>Tax expense:</b>		<b>310.50</b>	<b>111.62</b>
Current tax	33		
Deferred tax		79.72	19.50
<b>Total tax expenses</b>		(3.75)	1.65
<b>Profit/(Loss) for the year (A)</b>		<b>75.97</b>	<b>21.15</b>
<b>Other comprehensive (loss)/ income</b>		<b>234.53</b>	<b>90.47</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability / (asset)		(1.31)	(0.07)
Income tax relating to remeasurements of defined benefit liability / (asset)		0.33	0.02
<b>Other comprehensive income for year</b>		<b>(0.98)</b>	<b>(0.05)</b>
<b>Total Other comprehensive income (B)</b>		<b>(0.98)</b>	<b>(0.05)</b>
<b>Total Comprehensive Income / (loss) for the year (A+B)</b>		<b>233.55</b>	<b>90.42</b>
<b>Earnings per equity share</b>			
[Face value of Rs. 10]			
Basic			
Diluted	34	23.69	9.14
		23.69	9.14
<b>Summary of material accounting policies</b>			
Notes to the financial statements	2		
	3 to 51		

The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. - 105215W/W100057

*Akshay Purandare*

**Akshay B. Purandare**

Partner

Membership No. 141984



For and on behalf of the Board of Directors of  
**REGREEN - EXCEL EPC INDIA LIMITED**  
CIN: U29294PN2020PLC193834

*Sanjay Desai*

**Sanjay Desai**

Chairman & Managing Director

DIN : 01686615

*Ashish Dubey*

**Ashish Dubey**

Chief Financial Officer

*Tushar Patil*

**Tushar Patil**

Whole Time Director

DIN : 07090621

*Hiren Shah*

**Hiren Shah**

Company Secretary

Place: **PUNE**

Date: **25/07/2024**



**25th July, 2024**

**REGREEN - EXCEL EPC INDIA LIMITED**  
(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")  
**Special Purpose Statement of Cash Flows**  
(All amounts in Indian Rupees millions, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	310.50	111.62
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Finance costs	5.25	1.10
Interest income	(4.40)	(1.23)
Interest on unwinding of security deposits	(0.27)	(0.05)
Liabilities no longer payable written back	(0.23)	-
Depreciation and amortisation expenses	22.77	3.96
<b>Operating profit before working capital changes</b>	<b>333.62</b>	<b>115.40</b>
Movement in working capital:		
(Increase)/Decrease in trade receivables	(1,237.39)	(422.56)
(Increase)/Decrease in inventories	(707.49)	(312.18)
(Increase)/Decrease in other current assets	(551.54)	(399.44)
(Increase)/Decrease in other financial assets	(104.30)	(988.43)
Increase/(Decrease) in trade payables	824.44	986.52
Increase/(Decrease) in other financial liabilities	19.73	1.32
Increase/(Decrease) in provisions	0.54	0.02
Increase/(Decrease) in other liabilities	1,735.39	1,226.32
<b>Cash generated from operations</b>	<b>313.00</b>	<b>206.97</b>
Net income tax (paid)	(91.81)	(22.69)
<b>Net cash from operating activities (A)</b>	<b>221.19</b>	<b>184.28</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(180.10)	(13.28)
Bank deposits matured/(placed during the year)	22.26	(103.01)
Interest income	4.40	1.23
<b>Net cash used in investing activities (B)</b>	<b>(153.44)</b>	<b>(115.06)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds / (Repayment) from long-term borrowings	5.69	1.66
Proceeds / (Repayment) from working capital facilities (net)	-	(1.00)
Leases		
- Principal element	(9.98)	(2.89)
- Interest element	(4.78)	(1.08)
Interest paid	(0.47)	(0.02)
<b>Net cash used in financing activities (C)</b>	<b>(9.54)</b>	<b>(3.33)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>58.21</b>	<b>65.89</b>
Cash and cash equivalents at the beginning of the year	66.05	0.16
<b>Cash and cash equivalents at the end of the year</b>	<b>124.26</b>	<b>66.05</b>

**Notes:-**

1. Cash and cash equivalents include

Cash on hand	0.68	0.05
Balances with bank		
- Current accounts	73.68	66.00
- Bank deposits having original maturity less than three months	49.90	-
	<b>124.26</b>	<b>66.05</b>

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

**Significant non-cash movement in investing and financing activities**

Acquisition of Right-of-use assets with corresponding impact to lease liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
	38.98	17.06
	<b>38.98</b>	<b>17.06</b>

Summary of material accounting policies

Notes to the financial statements

2  
3 to 51

The notes referred to above form an integral part of the financial statements  
As per our report attached of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. - 105215W/W100057

*Akshay Purandare*

**Akshay B. Purandare**  
Partner  
Membership No. 141984



**For and on behalf of the Board of Directors of  
REGREEN - EXCEL EPC INDIA LIMITED**  
CIN: U29294PN2020PLC193834

*Sanjay Desai*  
**Sanjay Desai**  
Chairman & Managing Director  
DIN : 01686615

*Tushar Patil*  
**Tushar Patil**  
Whole Time Director  
DIN : 07090621

*Ashish Dubey*  
**Ashish Dubey**  
Chief Financial Officer

*Hiren Shah*  
**Hiren Shah**  
Company Secretary

Place: PUNE  
Date: 25/07/2024



*25th July, 2024*

REGREEN - EXCEL EPC INDIA LIMITED  
 (Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")  
**Special Purpose Statement of Changes in Equity**  
 (All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

Particulars	No. of shares	Amount in millions
<b>Balance as at April 01, 2021</b>	<b>1,00,000</b>	<b>1.00</b>
Changes due to prior period errors	-	-
Restated balance as at April 01, 2021	1,00,000	1.00
Issued during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>1,00,000</b>	<b>1.00</b>
Changes due to prior period errors	-	-
Restated balance as at March 31, 2022	1,00,000	1.00
Issued during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>1,00,000</b>	<b>1.00</b>

(b) Other equity

Particulars	Reserves and surplus	Total equity
	Retained earnings	
<b>Balance as at April 01, 2021</b>	<b>4.97</b>	<b>4.97</b>
<b>Total comprehensive income for the year ended March 31, 2022</b>		
Profit for the year	90.47	90.47
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	(0.05)	(0.05)
<b>Total comprehensive income</b>	<b>90.42</b>	<b>90.42</b>
<b>Balance as at March 31, 2022</b>	<b>95.39</b>	<b>95.39</b>
<b>Balance as at April 01, 2022</b>	<b>95.39</b>	<b>95.39</b>
<b>Total comprehensive income for the year ended 31 March 2023</b>		
Profit for the period	234.53	234.53
Other comprehensive income (net of tax)		
- Remeasurements of defined benefit liability / (asset)	(0.98)	(0.98)
<b>Total comprehensive income</b>	<b>233.55</b>	<b>233.55</b>
<b>Balance as at March 31, 2023</b>	<b>328.94</b>	<b>328.94</b>

**Nature and purpose of reserves**

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

Summary of material accounting policies  
 Notes to the financial statements

2  
 3 to 51

The notes referred to above form an integral part of the financial statements  
 As per our report attached of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. - 105215W/W100057

*Akshay Purandare*

Akshay B. Purandare  
 Partner

Membership No. 141984



Place: PUNE  
 Date: 25/07/2024

For and on behalf of the Board of Directors of  
 REGREEN - EXCEL EPC INDIA LIMITED  
 CIN: U29294PN2020PLC193834

*Sanjay Desai*

Sanjay Desai  
 Chairman & Managing  
 Director

DIN: 01686615

*Tushar Patil*

Tushar Patil  
 Whole Time Director

DIN: 07090621

*Ashish Dubey*

Ashish Dubey  
 Chief Financial Officer

*Hiren Shah*

Hiren Shah  
 Company Secretary



25th July, 2024

## REGREEN - EXCEL EPC INDIA LIMITED

(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")

### Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements

(All amounts are in Indian Rs. million except share data and as stated)

#### 1 The Corporate overview

Regreen-Excel EPC India Limited herein referred to as "The Company" is a public company domiciled in India and was incorporated on September 09, 2020. The registered office of the Company is situated at Office No. 507 & 508, S.No. 23 P, Nandan Probiz, Pune City, Baner Gaon, Pune, Haveli, Maharashtra, India, 411045. Regreen-Excel EPC India Limited is a technology driven EPC company for ethanol plants. The Company was converted from Private Limited to Public Limited on June 22, 2024.

#### 2 Material accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Special Purpose Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.01 Statement of compliance and basis of preparation

The Special Purpose Financial Statements have been prepared by the management of the Company for the purpose of preparation of the Restated Financial Information to be included in the Draft Red Herring Prospectus (the "DRHP"), Red Herring Prospectus (RHP) and Prospectus (collectively referred to "Offer Documents") of the company to be filed with the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs and relevant exchanges in connection with the proposed Initial Public Offer of equity shares ("IPO"). The Special Purpose Financial Statements of the comprises the Special Purpose Balance Sheet as at 31 March 2023, 31 March 2022 and 1 April 2021, the Special Purpose Statement of Profit and Loss including Other Comprehensive Income, the Special Purpose Statement of Cash Flows, the Special Purpose Statement of Changes in Equity and Notes forming part of the Special Purpose Financial Statements for the years ended 31 March 2023, 31 March 2022 and 1 April 2021 and Summary Statement of Material Accounting Policies and other explanatory notes (collectively referred as the 'Special Purpose Financial Statements').

The Special Purpose Financial Statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

The Accounting Policies have been consistently applied by the company in preparation of the Special Purpose Financial Statements.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46.

These Special Purpose Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise indicated.

The Special Purpose Financial Statements are approved for issue by the Company's Board of Directors on July 25, 2024.

##### 2.02 Basis of measurement

These Special Purpose Financial Statements have been prepared under the historical cost basis, except for defined benefit obligation which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

##### 2.03 Use of judgements and estimates

In the application of the Company's accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.



**REGREEN - EXCEL EPC INDIA LIMITED**

(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")

**Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements**

(All amounts are in Indian Rs. million except share data and as stated)

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Special Purpose Financial Statements is included in the following notes:

**(i) Judgements :**

Lease term: whether the Company is reasonably certain to exercise extension options.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

**(ii) Estimates :**

- (i) Useful lives of Property, plant and equipment and intangible assets (Refer Note 2.05 and Note 2.06)
- (ii) Measurement of defined benefit obligation; key actuarial assumptions (Refer Note 2.12)
- (iii) Provision for taxation (Refer Note 2.06)
- (iv) Measurement of lease liabilities and right of use asset (Refer Note 2.13)
- (v) Allowance of expected credit loss on trade receivable (Refer Note 2.16)
- (vi) Revenue recognition (Refer Note 2.090)

**2.04 Current versus non-current classification**

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

The Company classifies an asset as current asset when:

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

All other assets are classified as non-current.

The Company classifies a liability is current when:

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

All other liabilities are classified as non-current.

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

**2.05 Property, plant and equipment**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital advances' under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

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

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a written down value method for each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013 as assessed by the management of the company based on technical evaluation.



**REGREEN - EXCEL EPC INDIA LIMITED**

(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")

**Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements**

(All amounts are in Indian Rs. million except share data and as stated)

The Estimated useful life are as below:

Particulars	Management's estimate of useful lives (in years)
Buildings	30 Years
Furniture and fixtures	10 Years
Computers	3 Years
Vehicles	8 Years

The useful lives mentioned above for few of the Plant & Machinery are based on management's assessment, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support etc.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

**2.06 Taxation**

**Current tax :**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax :**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the special purpose financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that: is not a business combination; and at the time of transaction (a) affects neither the accounting nor taxable profit or loss and (b) does not give rise to equal taxable and deductible temporary differences.
- (ii) Temporary differences related to investment in subsidiaries to the extent the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

**Offsetting :**

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**Current and deferred tax for the year :**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Advance income tax paid (including tax deducted at source, tax paid on self-assessment or otherwise) and provision for current income tax are presented in the balance sheet after setting off the same against each other.



**REGREEN - EXCEL EPC INDIA LIMITED**

(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")

**Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements**

(All amounts are in Indian Rs. million except share data and as stated)

**2.07 Financial instruments**

The Company recognizes financial assets and financial liabilities if any, when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at Fair Value on initial recognition, except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

**Financial assets carried at amortized cost :**

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

**Financial assets at Fair Value through Profit or Loss (FVTPL) :**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**Financial liabilities :**

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 fair value due to the short maturity of these instruments.

**Derecognition of financial assets and financial liabilities :**

The Company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire or when it transfer the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or when it expires.

**2.08 Inventories**

Inventories are valued after providing for obsolescence, as under:

- i. Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- ii. Site work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, site work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

**2.09 Revenue from contract with customers**

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done using input method by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation as it best depicts the transfer of control that occurs as costs are incurred.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the company's performance or
  - (b) the customer controls the asset as it is being created/enhanced by the company's performance or
  - (c) there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents.
- In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.



**REGREEN - EXCEL EPC INDIA LIMITED**

**(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")**

**Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements**

(All amounts are in Indian Rs. million except share data and as stated)

Significant judgments are used in:

- Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
- Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the transaction price.

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as "Contract Asset". For contracts where progress billing exceeds the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as "Contract Liability". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

**2.10 Other income**

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate. Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**2.11 Foreign currencies**

The Company's special purpose financial statements are presented in Indian Rupees, which is also the functional currency of the Company.

**Transaction and balances :**

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

**2.12 Employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

**Short-term employee benefits :**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

**Post-employment benefits :**

**Defined contribution plans :**

Contributions to the provident fund, which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

**Defined benefit plans :**

**Gratuity :**

The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined every year by an independent actuarial using the projected unit credit method. Obligation under the defined benefit plan is measured at the present value of the estimated future cash flows using a discount rate that is determined by reference to the prevailing market yields at the balance sheet date on government bonds.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement



**REGREEN - EXCEL EPC INDIA LIMITED**

(Previously known as "REGREEN-EXCEL EPC INDIA PRIVATE LIMITED")

**Material Accounting Policies and Other Explanatory Notes to the Special Purpose Financial Statements**

(All amounts are in Indian Rs. million except share data and as stated)

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**2.13 Leases**

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

**Company as a Lessee :**

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognize a right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

**Right to use asset :**

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

**Lease liability :**

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

**2.14 Borrowing Cost**

Borrowing cost includes interest expense calculated using the effective interest method, finance expenses in respect of assets acquired on lease.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are capitalised/ inventoried as a part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

**2.15 Provisions and contingent liabilities**

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

**Contingent liability :**

Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

