

S R GOYAL & CO

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To,
The Managing Director,
Solar Energy Corporation of India Limited,
New Delhi.

Report on the Audit of the Project Financial Statements

Opinion

We have audited the accompanying special purpose Project Financial Statements of **The Innovation in Solar Power and Hybrid Technologies Project** (the Project) financed by the International Bank for Reconstruction and Development (IBRD) and Clean Technology Fund (CTF) respectively under Loan 8944-IN, TF A9875 and TF A9893, and implemented by the **Solar Energy Corporation of India**. These financial statements comprise of the Summary of category wise Expenditure (IUFR-1); Consolidated statement of Sources and Uses of Funds (IUFR-2) Expenditure for subproject 1 (IUFR 2) Consolidated Procurement/ Contract progress monitoring report for World bank financed contracts for all subprojects (IUFR 3) and Cash forecast (IUFR 4) and Explanatory Notes to the financial statements (collectively referred to as the "Project Financial Statements").

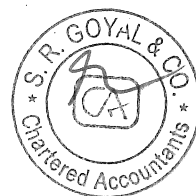
In our opinion, the aforesaid special purpose Project Financial Statements give a true and fair view of the Receipts and Disbursements of the Project for the year ended on March 31, 2024 and the Expenditure of the Project for the year ended on March 31, 2024, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement for IBRD loan, and Section 2.07 of the Standard Conditions of the World Bank read with the Loan agreement for CTF loan and CTF Grant Agreement dated 14th December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the implementing agency in accordance with the ICAI's

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Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting frameworks, and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error. The Management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project 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 the Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

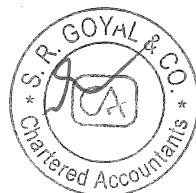
- identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.

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- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the Project Financial Statements, including the disclosures and whether these financial statements present the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions to the Project Financial Statements.
- 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.
- 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.

Other Matter

The implementing agency **Solar Energy Corporation of India** has prepared a separate set of entity financial statements for the year ended March 31, 2024 on which we *have* issued a separate auditor's report to the dated *August 02, 2024* and expressed an unmodified audit opinion.

Report on Other Legal and Regulatory Requirements

Further to our opinion on the Project Financial Statements we further report that:

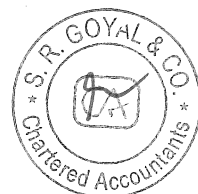
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of accounts have been kept by the implementing agency for Project purposes so far as appears from our examination of those books;
- c) the Project Financial Statements dealt with by this report is in agreement with the books of accounts;
- d) the Project funds were utilized for the purposes for which they were provided;

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- e) expenditures, including assets created under the Project, shown in the PFS are eligible for financing under the Project Financing Agreements;
- f) Interim Unaudited Financial Reports (IUFR) submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- g) the Project has an adequate internal financial control system (including IT controls) and such controls were operating effectively as at March 31, 2024 and the Project complies with the provisions on financial management contained in the Operations Manual/ Project Implementation Plan/ Financial Management Manual, in all material aspects

For S. R. Goyal & Co.

Chartered Accountants

FRN: 001537C

Place: Jaipur

Date: 23-9-2024

UDIN: 24412538BKAFQV5828

Anurag Goyal

Anurag Goyal

(Partner)

M. No. : 412538



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