

Date: 17.05.2025

To

The Managing Director

Through: CFO

Subject: Approval for Accelerated Depreciation of Damaged Machinery – PEPPL Fabcity

Background

On 02.03.2025, we installed 4 Nos. of MBB PV Cell Soldering Stringer AM050k & Integrated PC Auto Bussing Machine AM059B, along with standard spares and accessories, in the P2 Module Line at PEPPL Fabcity.

Asset Serial Numbers:

- B2024162 & A059B00110195
- B2024163 & A059B00110196
- B2024164 & A059B00110197
- B2024165 & A059B00110198

The machinery was commissioned successfully and operated to produce 10 BB

2. Incident

As part of the technology upgradation and implementation plan, these stringers were scheduled for upgradation. During the upgrade to 16BB half-cut compatibility, the maintenance team was carrying out the change-over kit installation. Due to negligence and configuration adjustments, the alignment was damaged, resulting in a technical issue

However, during dismantling and handling, the above machines were physically damaged. Technical evaluation confirmed that:

- The machinery cannot be restored to a give full capacity.
- The damaged alignment and configuration make the machines unfit for upgraded technology production.

- They are not suitable for Topcon cell stringed modules and do not meet the upgraded 16BB half-cut cell configuration requirements.
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3. Justification for Accelerated Depreciation (*as per IND AS 16 – Property, Plant & Equipment*)

- As per IND AS 16, an asset shall be accelerated depreciation when:
 - It is not meeting its original useful life
 - No future economic benefits are expected from its use.
 - The entire plant and machinery for the Mono PERC module line will be fully depreciated by 30th September 2025. As the main production line reaches full depreciation, management has decided to also depreciate the stringers by the same date. In line with this, plans are underway to upgrade the technology.
 - Since the machinery has been not compatible to upgrade 16BB half cut module production and due to its alignment and configuration and cannot generate further economic benefits, continuation in the books at carrying value is not appropriate.
 - It is therefore proposed to accelerate depreciation of the assets in compliance with IND AS 16.
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4. Recommendation

In view of the above, approval is sought to:

- Proceed with fully accelerated depreciation of the assets listed above.
 - Adjust the same in the books of accounts for the period ending June 30th, 2025.
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Details of Assets which are fully accelerated depreciation during Q1 FY 2025-26

Asset Code	Asset Description	Capitalized on	As FAR NBV	Residual Value	Accelerated Dep Value
20000957	MBB PV Cell Soldering Stringer	02-03-2025	2,75,72,453	26,87,742	2,48,84,711
20000958	MBB PV Cell Soldering Stringer	02-03-2025	2,72,91,104	26,87,742	2,46,03,362
20000959	MBB PV Cell Soldering Stringer	02-03-2025	2,72,91,104	26,87,742	2,46,03,362
20000960	MBB PV Cell Soldering Stringer	02-03-2025	2,72,91,104	26,87,742	2,46,03,362
	Total		10,94,45,763	1,07,50,968	9,86,94,795

Submitted for your kind approval.

Manoj Kumar – VP Finance

Sivasankar Varaprasad – AGM F&A