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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of RAJASTHAN SUN TECHNIQUE ENERGY PVT. LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RAJASTHAN SUN TECHNIQUE ENERGY PVT. LTD** which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information ("hereinafter referred to as Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, 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.

Material Uncertainty Related to Going Concern

The Company has incurred a net loss of Rs. 17,645 lakhs during the year ended March 31, 2023 and accumulated loss of Rs. 1,94,353 Lakhs. We also draw attention to note 4 to the financial statements with respect to continuing default in repayment of outstanding dues to Lenders, as at March 31, 2023 The default on account of Principal was Rs. 59,064 Lakh and Rs. 32,564 Lakh towards the interest (F.Y. 2021-22 Rs. 40,903 Lakh towards the Principal and Rs. 18,572 Lakhs towards the interest).

As of that date this indicates that the Company may not meet future installments and other obligations through its own cash flows. The financial statements have been prepared on the basis of going concern assumption for the basis stated in the said note.

Our opinion is not modified in respect of the same.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the auditors' responsibilities for the Financial Statements section of our report including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatement of the financial statement of the Financial Statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Following are the brief summary of Key Audit Matters:

Sr. No.	Key Audit Matter	How the matter was addressed
1	<u>Capital Advances to Related Party</u> The company had made a capital advance to Reliance Infra Co Ltd, amount outstanding as at year end is Rs. 3,765 lakhs (Last Year Rs. 3,765 lakhs). The management feels that no impairment loss is to be recognized as the full amount is receivable. Considering the amount involved and the management judgment it is a key audit matter.	Our audit procedures included the following: *Discussion with management *Ensured proper disclosure in the Financial Statements. *Against this liability Rs. 3,765 Lakh also parked in books
2	<u>Dues from NVVN</u> The Company has dues from NVVN of Rs. 3,252 Lakh from the year 2014-15 to 2017-18 for which the company has filed petition before CERC challenging the claim	Our audit procedures included the following: *Discussion with management *Ensure proper disclosure in financial statement
3	<u>Interest free Inter Corporate Deposit</u> The Company has received ICD from group company on which no interest is charged. Amount outstanding is Rs. 68,142 Lakh (Last year Rs. 68,142 Lakh)	Our audit procedures included the following: *Discussion with management *Ensure proper disclosure in financial statement *As per management under section 186 the transaction is covered under infrastructure category and hence no interest is charged.

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4	<u>PPA Agreement with NVVN from 2014 to 2023</u> As per the terms of the PPA entered with NTPC Vidyut Vyapar Nigam Limited (NVVN), the Company was required to generate minimum committed energy of 219 Million Units in the contract year subsequent to declaration of commercial operation date (COD), else shortfall penalty is payable as per the terms of the PPA. The Company received minimum energy shortfall claim of Rs. 26240 lakhs from NVVN for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 and FY 2019-20..	*The company has filled Petition before Central Electricity Regulatory Commission (CERC) challenging the claim. NVVN has adjusted Rs 3,252 lakhs from the monthly invoices of the Company till the date company obtained the stay from Delhi High Court (DHC). *Subsequent to grant of stay by DHC, NVVN has been paying against the Invoices. *Considering the assessment of the above facts, and as legally advised, the Company has not considered the requirement for any provision for 2020-21 and 2021-22.
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Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a

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true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place 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 Company's ability 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and(ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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 current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and loss (including other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matter described in the material uncertainty related to going concern section above, in our opinion, may have significant doubt on the functioning of the company.

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- f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the matter to be included in the Auditors' Report under section 197(16): As no remuneration has been paid by the Company to the Directors during the current year Under Section 197 (16) does not apply and required to be commented by us
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has vide Note No 5 disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements.
 - ii. The Company does not have any derivative contracts hence no provision is required under the applicable law or accounting standards, for material foreseeable losses ,if any, on long term contracts including derivative contracts
 - iii. There has been no amount, required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31st 2023.
 - iv. (a) The management has represented to us that, to the best of it's knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries,

(b) The management has represented to us that, to the best of it's knowledge and belief no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons

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or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf, of the Ultimate Beneficiaries, and

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement,

- v. The company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year

For SHRIDHAR & ASSOCIATES

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjany

Partner

(Membership No. 050980)

Place: Mumbai,

Date: 18th April 2023

UDIN: 23050980BGXYXL9833

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Annexure "A" to Independent Auditors' Report

Referred to in paragraph 1 under heading" REPORT ON OTHER LEGAL AND REGFULATORY REQUIREMENTS" of the Independent Auditors' Report of even date to the members of RAJASTHAN SUN TECHNIQUE ENERGY PVT. LTD on the Ind AS financial statements as of and for the year ended March 31, 2023

In terms of the information and explanation sought by us and given by the company and the books of accounts examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant & Equipment.
- (b) The Company has a regular programme of physical verification of its Property, Plant & Equipment, by which all Property, Plant & Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.
- (c) In respect of immovable properties comprising of land taken on lease and buildings that have been disclosed as Property, Plant and Equipment in the financial statements, the lease agreements or other relevant records are in the name of the Company.
- (d) The company does not have any proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act.
- (iv) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

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- (vi) According to the information and explanations given to us, provisions relating to maintenance of cost records as prescribed under sub section (1) of section 148 of the act, are applicable to the company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, goods and service tax, and is regular in depositing undisputed statutory dues, including provident fund, income tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax and cess as at March 31, 2023 which were outstanding for a period of more than six months from the date, they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are dues of income tax, as at March 31, 2023 and which have been deposited on account of a dispute.

Name of the statute	Nature of dues	Amount (Rs. Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	0.30	F.Y.2017-18 (A.Y.2018-19)	Rectification u/s.154 is filed online and to AO. But, demand is not yet made nil.

- (viii) According to the information and explanations given to us and based on examination of the records of the Company, no income has been surrendered or disclosed as income during the year.
- (ix) (a) According to the information and explanations given to us and based on examination of the records of the Company, the Company after the Revised term sheet signed between Samalkot Power Ltd company and Exim Bank on 18 June, 2021 to restructure the loan has defaulted in repayment of loans or borrowings to financial institution or bank or dues to debenture holders following instances of defaults in repayment of principal and interest amount.

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Sr. No.	Name of the Lenders	Amount of Defaults as March 31, 2023 USD		Amount of Defaults as March 31, 2023 (Rs. In Lakhs)	Period of Default as at March 31, 2023
		Principle	Interest		
A					
1	ADB	2,23,68,600	1,34,01,311	29,409	7 th Jan 2019 7 th July 2019 7 th Jan 2020 7 th July 2020 7 th Jan 2021 7 th July 2021 7 th Jan 2022 7 th July 2022 7 th Jan 2023
2	US Exim	1,15,43,987	18,67,709	11,027	25 th Jan 2019 25 th July 2019 25 th Jan 2020 25 th July 2020 25 th Jan 2021 25 th July 2021 25 th Jan 2022 25 th July 2022 25 th Jan 2023
3	FMO Sr.	3,01,17,800	1,01,91,557	37555	7 th Jan 2019 7 th July 2019 7 th Jan 2020 7 th July 2020 7 th Jan 2021 7 th July 2021 7 th Jan 2022 7 th July 2022 7 th Jan 2023
4	FMO Sub	38,64,000	52,49,628	7485	6 th February 2019, 6 th August 2019, 6 th February 2020

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					6th Aug 2020 6th February 2021 6th Aug 2021 6th February 2022 6th Aug 2022 6th February 2023
	Total ECB OS	6,78,94,387	3,60,69,886	85,476	
	Total ECB (INR)(75.8071)				
B	Axis Bank	32,43,03,500	29,08,66,936	6152	For Principle 7th July 19 7th Oct 19 7th Jan 2020 7th April 2020 7th July 2020 7th Oct 2020 7th Jan 2021 7th Oct 2021 7th Jan 2022 7th July 2022 7th Oct 2022 7th Jan 2023 For Interest : Dec 2019 to 31st March 2023
	Total Outstanding			91,628	

(b) The Company is not declared a willful defaulter by any Bank or Financial Institution or other lender.

(c) The Company did not raise any money by way of initial public offer or further public Offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(d) As explained to us no funds were raised on short term basis have been utilized for long term purposes.

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- (e) As explained to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates
- (f) As explained to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xi) According to the information and explanations given to us, in respect of whom we are unable to comment on any potential implications for the reasons described therein, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xii) The Company has not paid managerial remuneration during the current year and therefore, the provisions clause (ix) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the financial statements.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us, the company has incurred cash losses of Rs 11522 Lakhs in the financial year and Rs 7527 lakhs in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.

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of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and Management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report and as per management the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) The company is not required to constitute a CSR committee as section 135 is not applicable.

(xxi) The company is not a holding company and hence reporting under this clause is not applicable.

For SHRIDHAR & ASSOCIATES

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjany

Partner

(Membership No. 050980)

Place: Mumbai,

Date: 18th April 2023

UDIN: 23050980BGXYXL9833

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Annexure B to the Independent Auditor's Report on the financial statements of RAJASTHAN SUN TECHNIQUE ENERGY PVT. LTD for year ended March 31, 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We were engaged to audit the internal financial controls with reference to financial statements of **RAJASTHAN SUN TECHNIQUE ENERGY PVT. LTD** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the financial statements of the Company.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SHRIDHAR & ASSOCIATES

Chartered Accountants

Firm's Registration No 134427W

Jitendra Sawjany

Partner

(Membership No. 050980)

Place: Mumbai,

Date: 18th April 2023

UDIN: 23050980BGXYXL9833

Rajasthan Sun Technique Energy Private Limited
Balance Sheet as at March 31, 2023

Particulars	Note No.	Rupees In lakhs	Rupees In lakhs
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,18,983	1,13,386
Other Intangible assets	3.2	6	6
Other non-current assets	3.3	3,765	3,765
Non Current tax assets (net)	3.4	200	190
Current assets			
Inventories	3.5	1,311	771
Financial assets			
Trade receivables	3.6(a)	3,655	4,537
Cash and cash equivalents	3.6(b)	2,244	1,447
Bank balances other than cash and cash equivalents	3.6(c)	1,221	943
Loans	3.7(d)	-	-
Finance lease receivables		-	-
Other financial assets	3.6(d)	255	255
Current tax assets (net)		-	-
Other current assets	3.7	500	373
Total Assets		1,32,139	1,25,673
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.8	286	286
Other equity			
Instrument entirely equity in nature	3.9.1	68,171	68,171
Reserves and surplus	3.9.2	(1,37,638)	(1,19,994)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	3.10	84,862	92,353
Other financial liabilities	3.11	3,765	3,765
Provisions	3.12	70	60
Other non-current liabilities	3.13	636	636
Current liabilities			
Financial liabilities			
Borrowings	3.14	73,490	54,094
Trade payables	3.15		
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	3.16	38,249	26,098
Other current liabilities	3.17	232	187
Provisions	3.18	17	17
Total Equity and liabilities		1,32,139	1,25,673
Significant accounting policies	2		
Notes to financial statements	3 to 23		

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

Rajasthan Sun Technique Energy Private Limited

As per our attached report of Even date

For Shridhar & Associates

Firm Registration Number - 134427W

Chartered Accountants

For and on behalf of the Board of Directors

Jitendra Sawjany

Partner

Membership Number - 050980

Place :Mumbai

Date : April 18,2023

Manoj Pongde

Director

DIN Number -7728913

Place :Mumbai

Date : April 18,2023

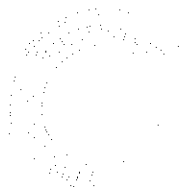
Mantu Kumar Ghosh

Director

DIN Number -07644889

Place :Mumbai

Date : April 18,2023



Rajasthan Sun Technique Energy Private Limited
Statement of Profit and Loss for the period ended March 31, 2023

Particulars	Note No.	Rupees In lakhs Year ended March 31, 2023	Rupees In lakhs Year ended March 31, 2022
Revenue from Operations	3.19	3,853	5,597
Other Income	3.20	239	95
Total Income		4,092	5,692
Expenses			
Employee benefits expense	3.21	499	416
Finance costs	3.22	12,859	11,310
Depreciation and amortization expenses		6,118	6,100
Generation, administration and other expenses	3.23	2,256	1,494
Exceptional Items			
Profit/(Loss) before tax		(17,640)	(13,627)
Income tax expense			
Current tax		-	-
Loss for the year (A)		(17,640)	(13,627)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
• Remeasurements of net defined benefit plans		(5)	4
Total Other Comprehensive Income for the year (B)		(5)	4
Total Comprehensive Income for the year (A+B)		(17,645)	(13,623)
Attributable to:			
Equity holders of the parent			
Non-controlling interests			-
Earnings/ (Loss) per equity share: (Face value of Rs. 10 each)			
Basic	9	(617.56)	(477.08)
Diluted	9	(617.56)	(477.08)
Diluted	9	(308.78)	(238.54)
Significant accounting policies	2		
Notes to financial statements	3 to 23		

The accompanying notes are an integral part of these financial statements

Rajasthan Sun Technique Energy Private Limited

As per our attached report of Even date

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Rajasthan Sun Technique Energy Private Limited
Cash Flow Statement for the period ended March 31, 2023

Particulars	Rupees in lakhs	Rupees in lakhs
	Year ended	Year ended
	March 31, 2023	March 31, 2022
(A) Cash flow from/ (used in) Operating activities		
Net Profit/ (Loss) before tax	(17,640)	(13,627)
Adjustments for:		
Interest income	(58)	(45)
Finance cost	12,859	11,310
Depreciation and amortisation expenses	6,118	6,100
Net cash generated from Operating activities	<u>1,279</u>	<u>3,737</u>
Operating profit before working capital changes		
Adjusted for:		
(Increase)/ decrease in trade receivables	881	(577)
(Increase)/ decrease in loans and advances	(128)	(1)
(Increase)/ decrease in Inventories	(540)	(120)
(Decrease)/ increase in trade payables	-	(62)
(Decrease)/ Increase in other financial liabilities	272.2	635
(Decrease)/ Increase in other non-current liabilities	-	2
(Decrease)/ Increase in other current liabilities	45	4
(Decrease)/ Increase in provisions	10	5
Cash generated from operations	<u>1,819</u>	<u>3,627</u>
Taxes paid (net of refunds)	<u>(10)</u>	<u>2</u>
Net cash generated from Operating activities	<u>1,809</u>	<u>3,629</u>
(B) Cash flow from/ (used in) Investing activities		
Interest received	58	45
(Increase) / Decrease in Bank balances other than cash and cash equivalents	(277)	177
Net cash flow for (used in) Investing activities	<u>(219)</u>	<u>222</u>
(C) Cash flow from/ (used in) Financing activities		
Repayment of borrowing - secured		(316)
Interest and finance charges paid	(720)	(4,029)
Net cash generated/ (used in) Financing activities	<u>(720)</u>	<u>(4,345)</u>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	870	(494)
Cash and cash equivalents at the beginning of the quarter:		
Bank balance - current account	1,447	1,941
Cash and cash equivalents at the end of the quarter:		
Bank balance - current account	2,244	1,447

The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these financials statements.

Rajasthan Sun Technique Energy Private Limited

As per our attached report of Even date

For Shridhar & Associates
Firm Registration Number - 134427W
Chartered Accountants

For and on behalf of the Board of Directors

Jitendra Sawjany
Partner
Membership Number - 050980
Place :Mumbai
Date : April 18,2023

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Director
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Date : April 18,2023

Mantu Kumar Ghosh
Director
DIN Number -07644889
Place :Mumbai
Date : April 18,2023

Rajasthan Sun Technique Energy Private Limited
Statement of changes in equity for the year ended March 31, 2023

A. Equity Share Capital (refer note 3.9)

	Rupees in lakhs
Balance as at March 31, 2021	286
Changes in equity share capital	-
Balance as at March 31, 2022	286
Changes in equity share capital	-
Balance as at March 31, 2023	286

B. Other Equity

	Instrument entirely equity in nature		Reserves and Surplus		Total	Rupees In lakhs
	Preference Shares Capital (refer no 3.9.1.1)	Inter Corporate Deposit (refer note 3.9.1.2)	Securities Premium Account (refer no 3.9.2.1)	Retained Earnings (refer no 3.9.2.2)		
Balance as at March 31, 2021	29	68,142	56,714	(1,52,912)	(28,028)	
Profit /(loss) for the year	-	-	-	(10,190)	(10,190)	
Other Comprehensive Income for the year	-	-	-	18	18	
Total Comprehensive Income for the year	-	-	-	(10,172)	(10,172)	
Addition during the year (net)	-	-	-	-	-	
Balance as at March 31, 2022	29	68,142	56,714	(1,63,085)	(38,200)	
Balance as at March 31, 2022	29	68,142	56,714	(1,76,708)	(51,823)	
Profit /(loss) for the year	-	-	-	(17,640)	(17,640)	
Other Comprehensive Income for the year	-	-	-	(5)	(5)	
Total Comprehensive Income for the year	-	-	-	(17,644)	(17,644)	
Addition during the year (net)	-	-	-	-	-	
Balance as at March 31, 2023	28	68,142	56,713	(1,94,353)	(69,468)	

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

Rajasthan Sun Technique Energy Private Limited

As per our attached report of Even date

For Shridhar & Associates

Firm Registration Number - 134427W

Chartered Accountants

For and on behalf of the Board of Directors

Jitendra Sawjany

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Date : April 18,2023

Mantu Kumar Ghosh

Director

DIN Number -07644889

Place :Mumbai

Date : April 18,2023

1) General information

Rajasthan Sun Technique Energy Private Limited is a wholly owned subsidiary of Reliance Power Limited. The Company is a Special Purpose Vehicle to develop 100 mega watt (MW) Solar Concentrated Thermal Power Project at Dhursar, Near Pokhran, District Jaisalmer, Rajasthan. The Company has entered into a Power Purchase Agreement (PPA) for 100 MW capacity with NTPC Vidyut Vyapar Nigam Limited (NVVN).

The Company is a Private Limited Company which is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at Ground Floor, Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

These financial statements were authorised for issue by the board of directors on April 18, 2023

2) Significant accounting policies and critical accounting estimates and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act, as amended, and rules made thereunder.

Functional and presentation currency

The financial statements are presented in 'Indian Rupees', which is also the Company functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

The financial statements have been prepared under the historical cost convention except certain financial assets and financial liabilities which are measured at fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Accordingly all project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / directly attributable to construction of project, borrowing cost, construction stores, and direct operational expenses (net of revenue during constructions) related to the units of power generated in the interim period, pending capitalisation, are disclosed as Capital work-in-progress.

Depreciation methods, estimated useful lives and residual value:

Depreciation on PPE is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the following assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of Plant and equipment where useful life has been estimated as 25 years as prescribed under Central Electricity Regulatory Commission and based on Internal assessment and technical evaluation by the management.

Particulars	Estimated useful lives
Buildings	3 to 30 years
Lease hold Land	Over the lease years
Plant and Equipment	10 to 25 years
Furniture and fixtures	10 years
Motor Vehicles	10 years
Office Equipments	5 years
Computers	3 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, plant and equipment, depreciation is provided as aforesaid over the residual life of the respective assets.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

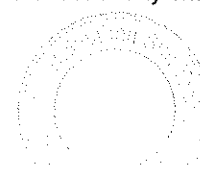
(c) Intangible assets:

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustment arising from exchange rate variation attributable to the intangible assets.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

Amortisation method and periods

Amortization is charged on a straight-line basis over a period of three years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.



(d) Impairment of non-financial assets

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(e) Trade Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(f) Financial instruments:

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

Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is

subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

vi. Derivative Financial Instruments:

Derivative are initially recognised at fair value on the date of derivative contract is entered into and are subsequently re-measure to their fair value at the end of the each reporting period. Further gain / (losses) arising on settlement and fair value change on derivative contracts are classified to finance cost.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Financial liabilities

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts: Financial guarantee contract are subsequently measured at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

iv. Derecognition

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash

assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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 statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the

liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

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 Company. 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 reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(k) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(l) Foreign currency translation:

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

All exchange differences arising on reporting of short term foreign currency monetary items other than derivative contracts at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss/ Capital Work in Progress.

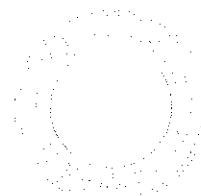
In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Ind AS-101 to continue the policy adopted in Previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:

- Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
- In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortised over the balance period of such long term asset / liabilities. Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(m) Revenue recognition:

Revenue is recognized, when the control of the goods or services has been transferred to consumers. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and other similar allowances.

i. Sale of energy



Revenue from sale of energy is recognised on an accrual basis and in accordance with the provisions of Power Purchase Agreement (PPA) with NTPC Vidyut Vyapar Nigam Limited (NVTN) read with Central Electricity Regulatory Commission (CERC) regulations.

ii. Other operating income

Revenue from certified reduction units is recognised as per terms and conditions agreed with trustee on future sale of certified emission reduction units.

(n) Employee benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss/ Capital Work-in-Progress.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post employee obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss/ capital work in progress.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

(o) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the

end of the reporting period in the countries where the Company operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(p) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into

account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares,
- and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the chief financial officer that makes strategic decisions.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Inventories:

Inventories of tools, stores, spares parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non refundable duties and charges incurred in bringing the goods to their present location and condition, and net realizable value after providing for obsolescence and other losses.

2.2 Critical accounting estimates and judgments

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful lives of Power plant and depreciation method

Management of the Company decided the estimated useful lives of power plant and respective depreciation. The accounting estimate is based on the expected wears and tears incurred during power generation. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, plant and equipments (Refer note 3.1 and 2(c)).

(b) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period. Management estimates that Company is not likely to generate taxable income in the foreseeable future and accordingly deferred tax asset on unused tax losses is not recognised (Refer note 11).

(c) Fair value measurement and valuation process

The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations if require.

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances (Refer note 12).

(d) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(e) Recent accounting pronouncement:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i. Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii. Ind AS 102 – Share-based Payment
- iii. Ind AS 103 - Business Combination
- iv. Ind AS 107 – Financial Instruments Disclosures
- v. Ind AS 109 - Financial Instrument
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements

3.1 Property, Plant and Equipment*

	Leasehold Land	Plant and equipment	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Rupees In lakhs Total
Gross carrying amount								
Carrying amount as at March 31, 2021	405	2,73,999	1,726	20	36	62	9	2,76,257
Additions during the year	-	17	-	-	-	-	-	17
Deductions during the year	-	-	-	-	-	-	-	-
Adjustments	-	4,245	-	-	-	-	-	4,245
Carrying amount as at March 31, 2022	405	2,78,261	1,726	20	36	62	9	2,80,518
Additions during the year	-	-	-	-	-	-	-	-
Deductions during the year	-	-	-	-	-	-	-	-
Adjustments	-	11,713	-	-	-	-	-	11,713
Carrying amount as at March 31, 2023	405	2,89,974	1,726	20	36	62	9	2,92,231
Accumulated depreciation								
For the year	2	6,008	83	1	5	-	1	6,100
Balance as at March 31, 2022	14	1,66,081	917	17	34	62	9	1,67,133
For the year	2	6,033	75	1	6	-	0	6,118
Balance as at March 31, 2023	16	1,72,114	992	18	41	62	9	1,73,251
Net carrying amount								
As at March 31, 2022	391	1,12,180	809	2	2	-	0	1,13,385
As at March 31, 2023	389	1,17,860	734	1	(4)	-	(0)	1,18,980
		17,14,204						

* The above Property Plant and Equipment has been pledged as security (refer note 8)

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2023	As at March 31, 2022
3.3 Other non-current assets (Unsecured and considered good)		
Capital advances (refer note 8)	3,765	3,765
	3,765	3,765
3.4 Non Current tax assets (net) Current tax assets (refer note 10)	200	190
	200	190
3.5 Inventories Stores and spares	1,311	771
	1,311	771
3.6(a) Trade receivables (Refer Note - 22) (Unsecured and considered good)		
Others	3,655	4,537
	3,655	4,537
3.6(b) Cash and cash equivalents Balance with banks: in current account	2,244	1,447
	2,244	1,447
3.6(c) Bank balances other than cash and cash equivalents Deposits with original maturity of more than three months but less than twelve months	1,221	943
	1,221	943
3.6(d) Other current financial assets (Unsecured and considered good)		
Security deposits	158	158
Other Receivables	96	96
	255	255
3.7 Other current assets (Unsecured and considered good)		
Advance recoverable in cash or in kind	207	26
Prepaid expenses	293	347
	500	373

Particulars	Rupees in lakhs	
	As at March 31, 2023	As at March 31, 2022
3.9.1 Other equity		
Balance at the end of the year		
3.9.1 Instrument entirely equity in nature		
Preference Shares	29	29
Inter-corporate deposits	68,142	68,142
	68,171	68,171
3.9.1.1 Preference Shares		
Authorised		
10,000,000 (March 31, 2022: 10,000,000) preference shares of Rs. 1 each	100	100
	100	100
Issued, subscribed and paid up capital		
2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 1 each	29	29
	29	29
Reconciliation of number of shares		
Preference shares [refer note no. 3.9.1.1(a)]		
Balance at the beginning of the year		
2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 1 each	29	29
	29	29
Balance at the end of the year - 2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 1 each		
3.9.1.1(a) Terms/ rights attached to preference shares		
7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.		
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Preference shares [refer note no. 3.9.1.1(a)]		
Preference Shares of Rs. 1 each fully paid up held by Reliance Power Limited - Holding company		
Percentage of holding in the class	100%	100%
Number of shares	28,56,350	28,56,350

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2023	As at March 31, 2022
3.9.1.2 Movement of instruments entirely equity in nature		
Preference shares		
Balance at the beginning of the year	29	29
894,000 (March 31, 2022: 894,000) shares of Re. 10 each fully paid-up		
Balance at the end of the year - 894,000 (March 31, 2022: 894,000) shares of Rs. 10 each	<u>29</u>	<u>29</u>
3.9.1.3 Inter Corporate Deposit (refer note 8)		
Opening balance	68,142	68,142
Add : received during the year	-	-
	<u>68,142</u>	<u>68,142</u>
3.9.2 Reserves and surplus		
Balance at the end of the year		
Securities premium account	56,714	56,714
Retained earnings	(1,94,353)	(1,76,708)
Total reserves and surplus	<u>(1,37,639)</u>	<u>(1,19,995)</u>
3.9.2.1 Securities premium account (refer note 3.9.2.3)		
Balance at the beginning of the year	56,714	56,714
Balance at the end of the year	<u>56,714</u>	<u>56,714</u>
3.9.2.2 Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(1,76,708)	(1,63,085)
Profit/ (Loss) for the year	(17,644)	(13,623)
Balance at the end of the year	<u>(1,94,353)</u>	<u>(1,76,708)</u>
	<u>(69,468)</u>	<u>(51,823)</u>
3.9.2.3 Nature and purpose of other reserves:		
Securities premium account:		
Security Premium account is for premium on issue of shares. The reserve would be utilised in accordance with the provision of the Companies Act, 2013.		

Particulars	Rupees In lakhs	
	As at March 31, 2023	As at March 31, 2022
3.10 Financial Liabilities		
Borrowings - Non-current		
Secured - at amortised cost		
Term loans:		
Rupee loans from banks	4,271	5,245
Foreign currency loans from financial Institution/ other parties	80,591	87,108
	84,862	92,353
3.10.1 Nature of security:		
a) Term loans balance from all banks, financial Institution/ other parties of Rs.1,59,123 lakhs (March 31, 2022 : Rs.147,305 lakhs) is secured/ to be secured by first charge on all the Immovable and movable assets of the Company on pari passu basis and pledge of 100% of the total issued share capital of the Company held by the Holding Company.		
b) Current maturities of long term borrowings have been classified as other current liabilities (Refer Note 3.14)		
3.10.2 Terms of repayment of loans and rate of interest:		
a) The Rupee loan has a tenure of upto 13.5 years from the date of first disbursement will be repaid in 54 unequal quarterly instalments starting from January 07, 2014 and Interest rate is a floating rate linked to Axis Bank;s one year MCLR plus 3.7% p.a, payable on monthly basis. The outstanding balance as on year end is Rs.7534 lakhs (March 31, 2022 Rs.7,534 lakhs).		
b) Foreign currency loan from financial institution/ other parties of has a tenure of upto 17.36 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from January 25, 2014 and carry fixed of 2.55% per annum payable half yearly. The outstanding balance as on year end is Rs.29,679 lakhs (March 31, 2022 Rs. 27,365 lakhs).		
c) Foreign currency loan from financial institution/ other parties has a tenure of upto 17.45 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from January 7, 2014 and carry interest rate of LiBOR plus 365 basis points per annum payable half yearly. The outstanding balance as on year end is Rs. 57,091 lakhs (March 31, 2022 Rs.52,640 lakhs).		
d) Foreign currency loan from financial institution/ other parties has a tenure of upto 14.45 years from the date of first disbursement. It will be repaid in 27 unequal half yearly instalments starting from January 7, 2014 and carry fixed interest rate of 5.95% per annum, payable half yearly. The outstanding balance as on year end is Rs. 54,360 lakhs (March 31, 2022 Rs.48,600 lakhs).		
e) Foreign currency loan from financial institution/ other parties has a tenure of upto 17.53 years from the date of first disbursement. It will be repaid in 33 unequal half yearly instalments starting from February 6, 2014 and carry fixed interest rate of 7.1% per annum, payable half yearly. The outstanding balance as on year end is Rs.10,458 lakhs (March 31, 2022 Rs. 9,643 lakhs).		
3.10.3 The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 1,035 lakhs (March 31, 2022 Rs. 1,232 lakhs).		
3.11 Other non-current financial liabilities		
Retention money payable (refer note 8)	3,765	3,765
	3,765	3,765
3.12 Provisions - Non-current		
Provision for gratuity (refer note 6)	43	36
Provision for leave entitlement (refer note 6)	27	24
	70	60
3.13 Other liabilities - Non-current		
Advance against certified emission reduction	636	636
	636	636

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Particulars	Rupees in lakhs	
	As at March 31, 2023	As at March 31, 2022
3.14 Financial Liabilities - Borrowings Current		
Secured - at amortised cost		
Inter-corporate deposits from holding company (refer note 8)	302	302
	302	302
Current borrowings		
Secured - at amortised cost		
Current maturities of long-term borrowings (refer note: 3.10)	73,187	53,792
	73,187	53,792
3.15 Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-
3.16 Other financial liabilities		
Current maturities of long-term borrowings		
Interest accrued but not due on borrowings	2,214	1,420
Interest accrued and due on borrowings	30,466	19,380
Creditors for supplies and services	1,189	942
Retention money payable	177	377
Dues to Holding Company (refer note 8)	304	304
Provision for Regulatory Matters (refer note 4(b))	3,252	3,252
Other payables	647	422
	38,249	26,098
3.17 Other Current Liabilities		
Advance against certified emission reduction	176	176
Other payables*	56	11
*(Including provident fund, tax deducted at source and other miscellaneous payables)		
	232	187
3.18 Provisions		
Provision for gratuity (refer note 6)	13	13
Provision for leave entitlement (refer note 6)	5	4
	17	17

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

	Rupees in lakhs	
	As at March 31, 2023	As at March 31, 2022
3.8 Share capital		
Authorised		
4,000,000 (March 31, 2022: 4,000,000) equity shares of Rs. 10 each	400	400
	400	400
Issued, subscribed and paid up capital		
2,856,350 (March 31, 2022: 2,856,350) equity shares of Rs. 10 each fully paid-up	286	286
	286	286
3.8.1 Reconciliation of number of shares		
Equity shares		
Balance at the beginning of the year - 2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 10 each	286	286
Balance at the end of the year - 2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 10 each	286	286
3.8.2 Rights, preference and restriction attached to equity shares		
Equity shares		
The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
3.8.3 Shares held by Holding Company		
Equity shares		
Reliance Power Limited - Holding Company	286	286
2,856,350 (March 31, 2022: 2,856,350) shares of Rs. 10 each fully paid		
(Out of the above 2,856,349 (March 31, 2022: 2,856,349) equity shares are by Reliance Power Limited, the Holding Company and 1 Equity Share was jointly held by Reliance Power Limited and its Nominees)		
	286	286
3.8.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Equity shares		
Equity shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company	100%	100%
Percentage of holding in the class		
Number of shares	2,85,63,500	2,85,63,500

Rajasthan Sun Technique Energy Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

Particulars	Rupees in lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
3.19 Revenue from operations		
Sale of energy	3,853	5,597
	3,853	5,597
3.20 Other income		
Interest income:		
Bank deposits	58	45
Other non-operating income	182	50
	239	95
3.21 Employee benefits expense		
Salaries, bonus and other allowances	463	383
Contribution to provident fund and other funds	18	15
Gratuity and leave encashment (Refer note 6)	17	18
	499	416
3.22 Finance cost		
Interest on:		
Rupee term loans	895	918
Foreign currency loans	8,754	8,388
Others	3,210	2,003
	12,859	11,310
3.23 Generation, administration and other expenses		
Stores and spares consumed	506	352
Water Charges	313	317
Hire charges	503	249
Rent expenses	11	9
Repairs and maintenance		
- Plant and equipment	120	174
- Others	1	1
Legal and professional charges (including shared service charges)	138	81
Postage and telephone	2	3
Travelling and conveyance	31	12
Rates and taxes	302	26
Insurance	193	195
Miscellaneous expenses	135	74
	2,256	1,494

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

4) Contingent liabilities and commitments

- (a) The Company has declared its Concentrated-Solar Power (CSP) plant as commercially operational (COD) as per terms of PPA on November 17, 2014 against the scheduled commissioning date (SCD) of March 07, 2014 as per the terms of Power Purchase Agreement (PPA). The Company has filed a petition before Central Electricity Regulatory Commission (CERC) for extension of SCD. Pleadings in the said petition have been completed and the matter is to be listed for hearing.
- (b) As per the terms of the PPA entered with NTPC Vidyut Vyapar Nigam Limited (NVVN), the Company was required to generate minimum committed energy of 219 Million Units in the contract year subsequent to declaration of commercial operation date (COD), else shortfall penalty is payable as per the terms of the PPA. The Company received minimum energy shortfall claim of Rs. 26,240 lakhs from NVVN for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 and company has filled Petition before Central Electricity Regulatory Commission (CERC) challenging the claim. NVVN has adjusted Rs 3,252 lakhs from the monthly invoices of the Company till the date company obtained the stay from Delhi High Court (DHC). Subsequent to grant of stay by DHC, NVVN has been paying against the Invoices. Considering the assessment of the above facts, and as legally advised, the Company has not considered the requirement for any provision.
- (c) Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs: Nil (March 31, 2022 Rs NIL lakhs)

5) Details of remuneration to auditors:

Particulars	Year ended March 31,2023	Rupees in lakhs Year ended March 31,2022
(a) As auditors		
For statutory audit	5	5
For Certification	@	@
(b) Out-of-pocket expenses	@	@
@ Amount is below the rounding off norm adopted by the Company.		

6) Employee benefit obligations

The Company has classified various employee benefits as under:

a) Leave obligations

The leave obligations cover the Company liability for sick and privileged leave.

Provision for leave encashment	March 31, 2023	Rupees in lakhs March 31, 2022
Current*	5	4
Non-current	27	24

* The Company does not has unconditional right to defer the settlements.

b) Defined contribution plans

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
- Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Capital work-in-progress / Statement of Profit and Loss for the year:

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Particulars	Rupees in lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Contribution to provident fund	12	6
(ii) Contribution to employees' superannuation fund	@	@
(iii) Contribution to employees' pension scheme 1995	6	6
(iv) Contribution to employees' deposit linked insurance scheme	@	1

@ Amount is below the rounding off norm adopted by the Company.

c) Post employment obligation

Gratuity

The Company has a defined benefit plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitle an employees, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basis salary last drawn by the employee concerned.

(i) Significant estimates: actuarial assumptions

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.30%	6.55%
Rate of increase in compensation levels	7.5%	7.5%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(ii) Balance sheet amount (Gratuity Plan)

Particulars	Present value of obligation	Fair value of plan assets	Rupees in lakhs	
			Net amount	
Balance as on March 31, 2021	43	-	43	
Current service cost	7	-	7	
Interest cost	3	-	3	
Total amount recognised in profit and loss	10	-	10	
Remeasurements				
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	
(Gain) / loss from change in demographic assumptions	-	-	-	
(Gain) / loss from change in financial assumptions	-	-	-	
Experience (gains) / losses	(4)	-	(4)	
Total amount recognised in other comprehensive income	(4)	-	(4)	
Employer contributions	-	-	-	
Benefit payments	(-)	-	-	
Balance as on March 31, 2022	49	-	49	

Particulars	Present value of obligation	Fair value of plan assets	Rupees in lakhs	
			Net amount	
Balance as on March 31, 2022	49	-	43	
Current service cost	7	-	7	
Interest cost	3	-	3	
Total amount recognised in profit and loss	10	-	10	
Remeasurements				
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	
(Gain) / loss from change in demographic assumptions	-	-	-	

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

(Gain) / loss from change in financial assumptions	-	-	-
Experience (gains) / losses	(5)	-	(4)
Total amount recognised in other comprehensive income	(5)	-	(4)
Employer contributions	-	-	-
Benefit payments	(-)	-	-
Balance as on March 31, 2023	54	-	49

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2023	Rupees in lakhs March 31, 2022
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of gratuity plan	-	-
Unfunded plans	56	49
Deficit of gratuity plan	56	49

(iii) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	0.50%	0.50%	-3.83%	-3.94%	4.07%	4.21%
Rate of increase in compensation levels	0.50%	0.50%	4.05%	4.15%	-3.84%	-3.93%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

For unfunded plan, the Company has no compulsion to pre fund the liability of the plan. The Company's policy is not to externally fund these liabilities but instead recognizes the provision and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

7) Assets pledged as security

Particulars	March 31, 2023	Rupees in lakhs March 31, 2022
Non-current		
Financial assets		
First charge		
Loan	-	-
Non-financial assets		
First charge		
Property, plant and equipment	1,18,983	1,13,386
Other Intangible assets	6	6
Other non-current assets	3,765	3,765
Total non current assets pledged as security	1,22,753	1,17,157

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Current		
Financial assets		
First charge		
Trade receivables	3,655	4,537
Cash and bank balances	2,244	2,391
Loans	158	158
Other financial assets	96	96
Non-financial assets		
Inventories	1311	771
Other current assets	500	373
Total current assets pledged as security	9,186	8,326
Total assets pledged as security	1,31,939	1,25,483

8) Related party transactions:

A. Investing Parties/Promoters having significant influence on the Company directly or indirectly

Companies

Reliance Infrastructure Limited (R Infra)

B. Parties where control exists:

Holding Company

Reliance Power Limited (RPower)

C. Other entities with whom transactions have been done during the year

Fellow subsidiaries:

Dhursar Solar Power Private Limited (DSPL)

Vidharbha Industries Power Limited (VIPL)

Rosa Power Supply Company Limited (RPSL)

D.	Details of transactions during the year and closing balance at the end of the year:	Rupees in lakhs	
		March 31, 2023	March 31, 2022
(i)	Transactions during the year:		
	Reimbursement of expenses and advances by		
	- R Power	-	38
	- RPSL	-	2
	- VIPL	2	-

		Rupees in lakhs	
		March 31, 2023	March 31, 2022
(ii)	Closing Balance :		
	Equity share capital (excluding premium)		
	- R Power	286	286
	Preference share capital (excluding premium)		
	- R Power	29	29
	Retention payable towards EPC		
	- R Infra	3,765	3,765
	Other current financial Assets		

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

- R infra	96	96
Other current liabilities		
- R Power	300	300
-RPSL	2	2
Advance against EPC contract		
- R infra	3,765	3,765
Inter corporate deposit payable		
- R Power (Deemed equity)	68,142	68,142
- R Power	302	302
Guarantees Issued on behalf of the Company		
- R Power	11,471	11,471

(iii) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.

(iv) The Company has entered into a memorandum of understanding for sharing of certain assets between the Company and DSPL.

9) Earnings/ (Loss) per share:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) available to equity shareholders		
Net profit after tax (A) (Rupees in lakhs)	(17,640)	(13,627)
Weighted average number of equity shares (B)	2,856,350	2,856,350
Basic earnings per share (A/B) ((Rupees)	(617.56)	(477.08)
Weighted average number of potential equity shares on account of conversion of preference shares (C)	2,856,350	2,856,350
Weighted average number of shares for Diluted EPS(D=B+C)	5,712,700	5,712,700
Diluted earnings per share (A/D) (Rupees)*	(308.78)	(238.54)
Nominal value of an equity share (Rupees)	10	10

*7.5% compulsory convertible redeemable non-cumulative preference shares had anti-dilutive effect on earnings per share and have not been considered for the purpose of computing diluted earnings per share.

10) Income taxes

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are as under:

(a) The reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	March 31, 2023	March 31, 2022
Profit/(Loss) before tax (A)	(17,640)	(13,627)
Tax at the Indian tax rate of 25.17% (2021-22 -25.17%)	(4,586)	(3,543)
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Deferred tax assets not recognised on impairment loss	-	-
Deferred tax assets not recognised on tax loss for the year	5,152	4,855
Other adjustments (net)	(9,732)	(8,398)
Income tax expense	-	-

(b) Tax liabilities/ (Assets):

Particulars	March 31, 2023	March 31, 2022
Provision for income tax (advance tax) – Opening balances	(190)	(184)
Taxes paid (net of refund)	(10)	(6)
Current tax payable for the year	-	-
Income tax for earlier years	-	-
Excess provision written off	-	-
Provision for income tax (advance tax) – Closing balances	(200)	(190)

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

(c) Tax losses

	Rupees in Lakh	
Unused tax losses for which no deferred tax asset has been recognised	86,899	71,729
Potential Tax benefits @ 25.17%	21,873	18,054

*The Company has not recognized deferred tax assets on carried forward business losses and unabsorbed depreciation as the company does not have reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

11) Fair value measurements

(a) Financial instruments by category

	Rupees in lakhs			
	March 31, 2023		March 31, 2022	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Loans	-	158	-	158
Derivative instruments	-	-	-	-
Trade receivables	-	3,655	-	4,537
Cash and cash equivalents	-	2,244	-	1,447
Bank deposits with more than 12 months maturity	-	1,221	-	943
Other receivables	-	96	-	96
Total financial assets	-	7,375	-	7,181
Financial liabilities				
Borrowings	-	1,90,729	-	1,66,945
Other financial liabilities	-	5,570	-	5,297
Derivatives Liabilities	-	-	-	-
Total financial liabilities	-	1,96,299	-	1,72,243

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023

	Rupees in lakhs			
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	4	4
Total financial assets	-	-	4	4
Financial Liabilities				
Others financial liabilities	-	-	1,99,784	1,99,784
Borrowings	-	-	3,765	3,765
Total financial liabilities	-	-	2,03,549	2,03,549

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2022

Particulars	Rupees in lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	-	-
Total financial assets	-	-	-	-
Financial Liabilities				
Others financial liabilities	-	-	3,765	3,765
Borrowings	-	-	1,76,091	1,76,091
Total financial liabilities	-	-	1,79,856	1,79,856

(c) Valuation processes

The Company obtains assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodically basis.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(d) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Security deposits	-	-	4	4
Total financial assets	-	-	4	4
Financial Liabilities				
Borrowings*	1,90,729	1,99,784	1,66,945	1,76,091
Other financial liabilities	3,765	3,765	3,765	3,765
Total financial liabilities	1,94,494	2,03,549	159,480	1,79,856

*Carrying amount of borrowing includes long term borrowing, current maturity of long term borrowing and interest accrued but not due on borrowing.

The carrying amount of current financial assets and liabilities (other than current maturity of long term borrowing and interest accrued but not due on borrowing which have been considered as part of borrowing) are considered to be the same as their fair values, due to their short term nature.

The fair value as of March 31, 2023 of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measures at fair value, the carrying amount is equal to the fair values.

Note

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

There were no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

12) Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Aging analysis	Only high rated banks/institutions are accepted.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Partly hedge by foreign exchange forward, cross currency and call spread contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Partly hedge by Interest rate swap

(a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers towards sale of electricity as per the terms of PPA, CERC and with public sector undertakings.

Credit risk management

Credit risk is managed at Company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at Company level except for those surrounding accounts receivable balances.

The Company has a PPA with a large public limited Company. The credit risk is considered to be low. The procurer has been paying the dues on a timely basis during the year.

(b) Liquidity risk

- (i) Management monitors the rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. As the Company does not have sufficient operational cash inflows the Company is largely dependent now upon the parent company's support (Refer note 4 above).

(ii) Maturities of financial liabilities

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Rupees in lakhs				
March 31, 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<u>Non-derivatives Financial liabilities</u>				
Borrowings* (Refer note 4)	1,11,256	68,823	16,529	1,96,608
Trade payables	-	-	-	-
Creditors for supplies and services	1,189	-	-	1,189
Retention money payable	3,942	-	-	3,942

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

Dues to Holding Companies	304	-	-	304
Other financial liabilities	3,899	-	-	3,899
Total Non-derivatives Financial liabilities	1,20,590	68,823	16,529	2,05,942

Rupees in lakhs				
March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non-derivatives Financial liabilities				
Borrowings*	77,880	72,200	33,346	1,83,427
Trade payables	-	-	-	-
Creditors for capital expenditure	942	-	-	942
Retention money payable	4,142	-	-	4,142
Dues to Holding Companies	304	-	-	304
Other financial liabilities	3,674	-	-	3,674
Total Non-derivatives Financial liabilities	86,942	72,200	33,346	1,92,489

*Includes contractual interest payments based on the interest rate prevailing at the reporting date.

(c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has long term monetary liabilities which are in currency other than its functional currency. Foreign currency risk, as defined in Ind AS 107, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

While the Company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated borrowings. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

• Foreign currency risk exposure:

The Company's exposure to foreign currency risk (all in USD \$) at the end of the reporting period expressed in INR, are as follows.

Rupees in lakhs		
	March 31, 2023	March 31, 2022
Financial liabilities		
Borrowings	1,59,123	1,47,305
Retention money	3,765	3,765
Total Financial liabilities	1,62,888	1,51,070
Total Covered by derivatives	-	-
Net exposure to foreign currency risk	1,62,888	1,51,070

• Sensitivity of foreign currency exposure

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

USD sensitivity	Impact on profit before tax / Capital work-in-progress**	
	March 31, 2023	March 31, 2022

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

FX rate – increase by 6% on closing rate on reporting date*	(11501)	(10,086)
FX rate– decrease by 6% on closing rate on reporting date		
*	11501	10,086
* Holding all other variables constant		

**The above impact has been assessed taking into consideration the accounting policy adopted by the Company for the accounting for foreign exchange differences. (Refer note 2.1(l) above).

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2021 the Company's borrowings at variable rate were mainly denominated in USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

• **Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	Rupees in lakhs	
	March 31, 2023	March 31, 2022
Variable rate borrowings	64,586	60,175

• **Sensitivity of Interest**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2023	March 31, 2022
Interest rates – increase by 5% on existing Interest cost*	(270)	(161)
Interest rates – decrease by 5% on existing Interest cost*	270	161
* Holding all other variables constant		

13) Capital Management

(a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. (Refer note 4 above)

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity includes the fair value impact. The following table summarizes the capital of the Company:

	Rupees in lakhs	
	March 31, 2023	March 31, 2022
Equity (excluding other reserves)	(69,182)	(51,538)
Debt	1,58,049	1,46,145
Total	88,867	94,607

14) Delay Default in repayment of borrowing (Non-current) and interest

The Company has delayed/defaulted in the payment of borrowings. The lender wise details are as under:

Name of Lender	Borrowings				Interest			
	Delay in repayment during the year ended March 31, 2023		Default as at March 31, 2023		Delay in repayment during the year ended March 31, 2023		Default as at March 31, 2023	
Name of Lender	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
Asian Development Bank	-	-	18,391	1544	-	-	11,018	911
US Exim	-	-	9,491	1526	-	-	1,536	795
FMO-Senior Debt	-	-	24,762	1544	-	-	12,793	1003
FMO-Sub Debt	-	-	3,177	1514	-	-	4,308	1514
Axis Bank Ltd.	-	-	3,243	1363	-	-	2,909	1154
Total	-	-	59,064				32,564	

15) Segment reporting

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India. The Company's Board of Directors are chief operating decision makers of the Company.

Information about major customers

Revenue for the year ended March 31, 2023 and March 31, 2022 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2023 and March 31, 2022 were as follows (refer note 2(n)(i):

Particulars	March 31, 2023		March 31, 2022	
	Revenue In lakhs	Percent	Revenue In lakhs	Percent
NTPC Vidyut Vyapar Nigam Limited	3,853	100%	5,597	100%

16) Exchange Difference on Long Term Monetary Items

As explained above in note 2.1(l) with respect to exchange differences, the Company has adjusted the value of Rs. 11,713 lakhs Loss in PPE (March 31, 2022: adjusted the value of Rs 4,245 lakhs Loss in PPE towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

- 17) a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

- 18) As per Section 248 of the Companies Act 2013, there are no balances outstanding with struck off companies.
- 19) During the year the company is not declared willful defaulter by any bank or financial institution or the Lender.
- 20) The information for Self-generated Certified Emission Reductions (CERs) relating to certified emission rights are as follows:-

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	64,646	64,646
c)	Depreciation and operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

21) Net debt reconciliation

Rupees in lakhs		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Borrowings		
Opening Balance		
- Non Current	92,353	1,03,039
- Current	53,792	38,886
Changes in Fair Value		
- Impact of Effective Rate of Interest	264	289
- Exchange (gain) / loss	11,713	4,245
Repaid during the year/period	(73)	(315)
Closing Balance		
- Non Current	84,862	92,353
- Current (Refer note 4)	73,188	53,792
Inter corporate deposit		
Opening Balance	68,444	68,444
Availed during the year	-	-
Repaid during the year	-	-
Closing Balance	68,444	68,444
Interest Expenses		
Interest accrued but not due on borrowings (Opening)	20,801	13,789
Interest Charge as per Statement Profit & Loss	12,859	11,310
Changes in Fair Value		
- Impact of Effective Rate of Interest	(264)	(290)
Interest paid to Lenders	(716)	(4,008)
Interest accrued but not due/ and due on borrowings (Closing)	32,680	20,801

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

22) Trade Receivable Ageing Schedule :

Particulars	Rs. In Lakh				
	OS for Following period from Due date of Payment				
	Less than 1 Year	1 - 2 Year	2- 3 Years	More than 3 Year	Total
Undisputed Trade Receivables					
- Considered Good	403	-	-	-	403
Undisputed Trade Receivables Considered doubtful	-	-	-	-	-
Disputed Trade Receivables					
- Considered Good	-	-	-	3,252	3,252
Disputed Trade Receivables Considered Doubtful	-	-	-	-	-
Total	403	-	-	3,252	3,655

23) Ratios :

Sr	Particulars	March 31, 2023	March 31, 2022
A	Current ratio	0.08	0.10
B	Debt Equity ratio	(2.29)	(2.84)
C	Debt Service Coverage ratio	(0.10)	(0.33)
D	Return on Equity ratio	0.25	0.26
F	Trade Receivables turnover ratio	1.37	1.71
G	Trade Payables turnover ratio	NA	NA
H	Net Capital turnover ratio	(0.06)	(0.11)
I	Net Profit ratio	(4.58)	(2.43)
J	Return on capital employed	(0.20)	(0.14)

Ratios have been computed as under:

- A. Current Ratio: Current Assets/Current Liabilities
- B. Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve
- C. Debt Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / (Interest on Long Term and Short Term Debt for the period/year + Principal Repayment of Long Term Debt for the period/year).
- D. Return on Equity = Net profit / Shareholder's fund
- E. Inventory turnover ratio = Turnover / Average inventory
- F. Trade Receivables turnover ratio = Turnover / Average Receivables
- G. Trade Payables turnover ratio = Turnover / Average Payables
- H. Net Capital turnover ratio = Turnover / Capital Employed
- I. Net Profit ratio = Net Profit / Turnover
- J. Return on capital employed = Net Profit / (Debt + Equity)
- K. Return on Investment = Net profit before interest and dividend / Equity

Rajasthan Sun Technique Energy Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

As per our attached report of even date

For Shridhar & Associates

Firm Registration No:

134427W

Chartered Accountants,

For and on behalf of the Board of Directors

Jitenra Sawjany

Partner

Membership No.050980

Manoj Pongde

Director

DIN Number: 07728913

Mantu Kumar Ghosh

Director

DIN Number: 07644889

Place : Mumbai

Date : April 18, 2023

Place : Mumbai

Date : April 18, 2023

Place : Mumbai

Date : April 18, 2023