

Bakliwal & Co.

CHARTERED ACCOUNTANTS

Independent Auditors' Report

To The Members of
Reliance Natural Resources Limited

Opinion

We have audited the accompanying financial statements of Reliance Natural Resources Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Going Concern

We draw attention to Note 13 in the financial statements regarding accumulated loss exceeding the Net Worth of the Company and the Company has prepared the financial statements on a going concern basis. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts, however has been prepared by the management on a going concern basis for the reason stated in the aforesaid note.

Our opinion is not modified in this respect;

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Bakliwal & Co.

CHARTERED ACCOUNTANTS

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 financial controls 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 system 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 financial statements may be influenced. We consider quantitative 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report and shareholders' information included in the annual report but does not include the financial statements and our auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

Bakliwal & Co.

CHARTERED ACCOUNTANTS

If, based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraph 3 and 4 of the Order.
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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) The going concern matter described in Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company
 - 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
 - i) With respect to the other matters to be included in the Auditor's 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) There were no pending litigations which would impact financial position of the Company.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company during the year ended March 31, 2023.
 - (iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts 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 persons or entities, 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) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend

Bakliwal & Co.

CHARTERED ACCOUNTANTS

or invest in other persons 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

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year

For **Bakliwal & Co.**
Chartered Accountants
Regn.No.130381W

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023
UDIN: 23197643BGWHDE4571

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Natural Resources Limited** of even date)

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) As explained to us, the Company does not have any intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given and based on our examinations of the records of the Company provided to us, the title deeds of immovable property as at the balance sheet date are in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year under audit.
- (e) There are no proceedings initiated or any pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) As explained to us, there is no inventory hence clause 3(ii) of the Order is not applicable.
- (b) According to the information and explanations given to us, The Company has not been sanctioned any working capital limits from any bank or financial institution, Hence provisions of clause 3 (ii)(b) of the Order is not applicable.
- iii) (a) On the basis of examination of records of the Company, during the year the Company has granted loans to various companies. The detail of aggregate amount of loans balance outstanding as at the balance sheet date of such loans is as under.

Particulars	Amount (Rs. In '000)
Balance outstanding as at March 31, 2023	2,434,398
Aggregate amount given during the year	42,653

(b) In our opinion and according to the information and explanation given to us, the Company has not made investments during the year.

(c) Based on the records examined by us and information and explanations given to us, the repayment of principal and interest has been as stipulated.

(d) Based on our verification of records of the Company there are no overdue amounts with respect to interest on loans for more than ninety days.

(e) In our opinion and according to information and explanation given and records examined by us, loans granted which have fallen due during the year have been renewed or extended and fresh loans have been granted to settle the over dues of existing loans given to the same parties are as follows.

Name of Parties	Aggregate amount of over dues of existing loans renewed or extended or settled by fresh loan (Rs. In '000)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year.
Reliance Power Limited	2,434,398	100%

- iv) In our opinion and according to the information and explanation given to us, the company has not directly or indirectly advance loan to the persons covered under section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act in respect of Investments, Loans, Guarantee or security given as applicable.
- v) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposit which is deemed to be deposit from the public hence clause 3(v) of the Order is not applicable.

Bakliwal & Co.

CHARTERED ACCOUNTANTS

- vi) According to the information given to us, the Central Government has not prescribed for maintenance of cost records under sub section (1) of Section 148 of the Act in respect of activities carried on by the Company. Hence provisions of clause 3 (vi) of the Order is not applicable.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including Provident fund, Income-tax, Duty of customs, Goods and Service tax, Cess and other Statutory dues, wherever applicable, during the year. Further no undisputed amounts payable in respect of Provident fund, Income tax, Duty of customs, Goods and Service tax, Cess and other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed statutory dues pending to be deposited with the respective authorities by the Company.
- viii) As per the information and explanations given to us and based on our examinations of the records of the Company, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix) a) The Company has defaulted in repayment of borrowings and interest. The details of delay in repayment of Principal and interest during the year are as under: (Rs. In '000)

Name of Lender	Principal		Interest	
	Amount	Period (maximum Days)	Amount	Period (maximum Days)
APRN Enterprises Private Limited(formerly Dewan Housing Finance Corporation Limited)	30,00,000	1116	30,00,000	1481

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and based on examination of the records of the Company, we report that during the year Company has not obtained any term loans.
- (d) According to the information and explanations given to us and based on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that 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) During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans hence clause 3(x)(a) of the Order is not applicable
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year hence clause 3(x)(b) of the Order is not applicable.
- xi) (a) According to the explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

Bakliwal & Co.

CHARTERED ACCOUNTANTS

- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv) According to the information and explanations given to us, the Company does not have a formal internal audit system.
- xv) As per the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) In our opinion and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act, 1934.
(c) In our opinion and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) As represented by the management, the Group does not have any Core Investment Company as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii) The Company has incurred cash losses in the current year and in the immediately preceding year.
- xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to information and explanations given to us, and based on our examination of the financial statements of the Company, the CSR requirement is not applicable to the Company in view of losses incurred by the Company. Accordingly, clause 3(xx) of the Order is not applicable.

For **Bakliwal & Co.**
Chartered Accountants
Regn.No. 130381W

Ankur Jain
Partner
Membership No. 197643

Place: Mumbai
Date: April 19, 2023

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CHARTERED ACCOUNTANTS

ANNEXURE "2" TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Natural Resources Limited** ("the Company") of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance Natural Resources Limited** 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2023, based on the Financial Controls 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 ICAI.

For **Bakliwal & Co.**
Chartered Accountants
Regn.No.130381W

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023

Reliance Natural Resources Limited
Balance Sheet as at March 31, 2023

Particulars	Note No.	Rupees in '000	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3.1	1,85,341	1,97,928
Financial Assets			
Other Non-Current Assets	3.2	45,425	45,620
Current Assets			
Financial Assets			
Cash and Cash Equivalents	3.3	20,920	20,897
Loans	3.4	24,35,564	23,92,716
Other Financial Assets	3.5	85,674	16,471
Other Current Assets	3.6	1,233	1,233
Total		27,74,157	26,74,865
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3.7	500	500
Other Equity	3.8	(45,05,134)	(30,00,491)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	3.9	24,00,000	-
Current Liabilities			
Financial Liabilities			
Borrowings	3.10	46,53,586	29,99,800
Trade Payables	3.11	64,559	42,676
Other Financial Liabilities	3.12	1,60,646	26,32,380
Total		27,74,157	26,74,865

Significant Accounting Policies

2

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

As per our Report of even date

For Bakliwal & Co.

Chartered Accountants

Firm Registration No: 130381W

For and on behalf of the Board

Ankur Jain

Partner

Membership No. 197643

Umesh Kumar Agarwal

Director

Din 02908684

Ajit Verma

Director

Din 07422834

Place : Mumbai

Date : April 19, 2023

Place : Mumbai

Date : April 19, 2023

Reliance Natural Resources Limited
Statement of Profit and Loss for the Year ended March 31, 2023

Particulars	Note No.	Rupees in '000	
		Year Ended March 31, 2023	Year Ended March 31, 2022
Other Income	3.13	68,230	68,205
Total		68,230	68,205
Expenses			
Finance costs	3.14	14,85,506	8,75,095
Depreciation expense	3.1	12,586	12,612
Other expenses	3.15	74,781	68,929
Total		15,72,873	9,56,636
Profit/(Loss) before tax		(15,04,643)	(8,88,431)
Income tax expense			
Current tax		-	-
Profit/(Loss) for the year		(15,04,643)	(8,88,431)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(15,04,643)	(8,88,431)
Earnings per equity share: (Face value of Rs. 5 each)			
Basic and Diluted (Rupees)	7	(15,046.43)	(8,884.31)
Significant accounting policies	2		
The accompanying notes are an integral part of these financial statements			

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No: 130381W

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Place : Mumbai
Date : April 19, 2023

Umesh Kumar Agarwal
Director
Din 02908684

Ajit Verma
Director
Din 07422834

Place : Mumbai
Date : April 19, 2023

Reliance Natural Resources Limited
Cash Flow Statement for the Year Ended March 31, 2023

Particulars	Rupees in '000	
	Year Ended March 31, 2023	Year Ended March 31, 2022
(A) Cash Flow from Operating Activities		
Profit/(Loss) before tax	(15,04,643)	(8,88,431)
Adjusted for :		
Depreciation	12,586	12,612
Interest and finance charges	14,85,506	8,75,095
Interest income	(741)	(741)
Operating profit before working capital changes	(7,292)	(1,465)
Change in operating assets and liabilities:		
Increase / (decrease) in other financial liabilities	1,18,506	22,379
(Increase) / decrease in other financial assets	(69,742)	(9,168)
	48,764	13,211
Taxes paid (Net)	205	(106)
Net Cash from/ (used in) Operating Activities (A)	41,677	11,640
(B) Cash Flow from Investing Activities		
Refund to Related parties	(42,849)	(9,840)
Interest on bank and other deposits	1,271	-
Net Cash from / (used in) Investing Activities (B)	(41,578)	(9,840)
(C) Cash Flow from Financing Activities		
Inter Corporate deposit received	40,53,586	-
Repayment of Borrowings	(30,00,000)	-
Refund of advances taken	-	(1,419)
Interest and finance charges	(10,53,662)	(473)
Net Cash from/ (used in) Financing Activities (C)	(76)	(1,891)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	23	(91)
Opening Balance of cash and cash equivalents		
- Balance in current account	3	94
- Balance in deposit account	20,894	20,894
Closing balance of cash and cash equivalents		
- Balance in current account	26	3
- Balance in deposit account	20,894	20,894

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

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No: 130381W

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Umesh Kumar Agarwal
Director
Din 02908684

Ajit Verma
Director
Din 07422834

Place : Mumbai
Date : April 19, 2023

Place : Mumbai
Date : April 19, 2023

Reliance Natural Resources Limited**Statement of changes in equity for the year ended March 31, 2023****A. Equity Share Capital**

(Refer note 3.7)

Rupees in '000

Particulars	Total
Balance as at 01 April 2021	500
Changes in equity share capital	-
Balance as at 31 March 2022	500
Changes in equity share capital	-
Balance as at 31 March 2023	500

B. Other Equity

(Refer note 3.8.1)

Rupees in '000

Particulars	Retained Earnings	Total
Balance as at 01 April 2021	(21,12,060)	(21,12,060)
Profit/(Loss) for the year	(8,88,431)	(8,88,431)
Other Comprehensive Income for the year	-	-
Balance as at 31 March 2022	(30,00,491)	(30,00,491)
Profit/(Loss) for the period	(15,04,643)	(15,04,643)
Other Comprehensive Income for the year	-	-
Balance as at 31 March 2023	(45,05,134)	(45,05,134)

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

As per our Report of even date

For Bakliwal & Co.

Chartered Accountants

Firm Registration No: 130381W

For and on behalf of the Board

Ankur Jain

Partner

Membership No. 197643

Umesh Kumar Agarwal

Director

Din 02908684

Ajit Verma

Director

Din 07422834

Place : Mumbai

Date : April 19, 2023

Place : Mumbai

Date : April 19, 2023

Reliance Natural Resource Limited
Notes to the financial statements for the year ended March 31, 2023

1) General information

The Company was originally formed pursuant to the demerger of Coal-based / Gas-based Energy Undertaking of Reliance Industries Limited (RIL). All the properties, investments, assets and liabilities relating to Gas based energy undertaking of RIL were transferred and vested into the Company on a going concern basis. In consideration of the demerger, the Company allotted 122,31,30,422 shares of Rs. 5/- each amounting Rs. 611,56,52,110 as share capital. The deficit of net assets over the amount of share capital issued had been treated as Goodwill.

During the year 2010-11 the Board of Directors at its meeting held on July 4, 2010 approved the Composite Scheme of Arrangement between the Company and Reliance Power Limited and its subsidiaries namely Atos Trading Private Limited, Atos Mercantile Private Limited, Coastal Andhra Power Infrastructure Limited, Reliance Prima Limited and Reliance Futura Limited, which has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated October 15, 2010 and the same has been filed with the Registrar of Companies on October 29, 2010. Pursuant to the Scheme, the Business Undertaking of the Company has been demerged and transferred to Reliance Power Limited with effect from the appointed date i.e October 15, 2010.

These financial statements are authorised for issue by the Board of Directors on April 19, 2023.

2) Significant Accounting Policies:

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 Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act").

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

(b) Recent accounting pronouncements

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 Ind AS
- 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, Change 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 statement.

(c) Historical cost convention

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

- i. Defined benefit plans – plan assets that are measured at fair value;

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:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Reliance Natural Resources Limited

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

- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

(d) 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

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) 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 Companies (Accounting Standards) (Second Amendment) Rules 2011, 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.
 - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/memorandum of understanding.
- (iv) 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.

(e) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment 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.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

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.

(f) Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed 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 or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(h) 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.

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.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

- i. the rights to receive cash flows from the asset have expired, or
- ii. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

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.

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

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 (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(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 borrowings, dues to holding company and creditors for capital expenditure.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

iv. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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.

(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) Income tax

Reliance Natural Resources Limited**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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.

(l) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(m) 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.

2.2 Critical accounting estimates and judgements

The preparation of 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:

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 lower tax rate or 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.

Reliance Natural Resources Limited

Notes to the financial statements as of and for the year ended March 31, 2023

3.1 Property, Plant and Equipment

Particulars	Rupees in '000				
	Building	Electrical Installation	Equipments	Furniture and Fixtures	Total
Gross carrying amount					
Balance as at April 1, 2021	2,45,287	20,990	7,324	19,666	2,93,267
Additions during the year	-	-	-	-	-
Carrying amount as at March 31, 2022	2,45,287	20,990	7,324	19,666	2,93,267
Additions during the year	-	-	-	-	-
Carrying amount as at March 31, 2023	2,45,287	20,990	7,324	19,666	2,93,267
Particulars	Building	Electrical Installation	Equipments	Furniture and Fixtures	Total
Accumulated depreciation					
Balance as at April 1, 2021	73,584	7,416	1,727	-	82,727
For the year	12,264	298	50	-	12,612
Balance as at March 31, 2022	85,848	7,714	1,777	-	95,339
For the year	12,264	298	24	-	12,586
Balance as at March 31, 2023	98,112	8,012	1,801	-	1,07,925
Net carrying amount					
Balance as at March 31, 2022	1,59,439	13,276	5,547	19,666	1,97,928
Balance as at March 31, 2023	1,47,175	12,978	5,522	19,666	1,85,341

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2023

Particulars	Rupees in '000	
	As at March 31, 2023	As at March 31, 2022
3.2 Other non-current assets		
Advance Income Tax (Net)	42,913	43,108
Security deposits	2,512	2,512
	45,425	45,620
3.3 Cash and cash equivalents		
Balance with banks:		
in current account	26	3
in deposit account	20,894	20,894
	20,920	20,897
3.4 Current Loans		
(Unsecured and considered good)		
Loans / Advances to related party (Refer note 6)	24,34,398	23,91,746
Loans / Advances to Others	1,166	970
	24,35,564	23,92,716
3.5 Other current financial assets		
(Unsecured and considered good)		
Interest accrued on deposits	306	845
Receivable from related parties (Refer note 6)	84,000	14,812
Balance with statutory authorities	1,368	814
	85,674	16,471
3.6 Other current assets		
(Unsecured and considered good unless stated otherwise)		
Security deposits	1,233	1,233
	1,233	1,233

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2023
3.7 Share capital
Authorised

300,00,00,000 (Previous year : 300,00,00,000) Equity Shares of Rs.5 each
 1,00,00,00,000 (Previous year : 1,00,00,00,000) unclassified Equity Shares of Rs.5 each

Issued, subscribed and paid up

100,000 (Previous year : 100,000) Equity Shares of Rs.5 each fully paid-up

Rupees in '000	
As at March 31, 2023	As at March 31, 2022
1,50,00,000	1,50,00,000
50,00,000	50,00,000
2,00,00,000	2,00,00,000
500	500
500	500

3.7.1 Reconciliation of number of equity shares
Equity shares

Balance at the beginning of the year 100,000 (Previous Year : 100,000) shares of Rs. 5 each

Add: Shares issued during the year

Balance at the end of the year - 100,000 (Previous year : 100,000) shares of Rs. 5 each

500	500
-	-
500	500

3.7.2 Terms/ rights attached to equity shares
a) Equity shares

The Company has only one class of equity shares having par value of Rs.5 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 remaining assets of the Company, after distribution of all preferential amounts. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3.7.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company
Equity shares

Reliance Power Limited

As at March 31, 2023		As at March 31, 2022	
No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
1,00,000	100%	1,00,000	100%
1,00,000	100%	1,00,000	100%

3.7.4 Shares held by Holding Company
Equity Shares

Reliance Power Limited - 1,00,000 (Previous year: 1,00,000) shares of Rs. 5 each fully paid-up

As at March 31, 2023 No. Of Shares	As at March 31, 2022 No. Of Shares
1,00,000	1,00,000
1,00,000	1,00,000

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2023

Particulars	Rupees in '000	
	As at March 31, 2023	As at March 31, 2022
3.8 Other equity		
3.8.1 Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(30,00,491)	(21,12,060)
Profit/(Loss) for the year	(15,04,643)	(8,88,431)
Balance at the end of the year	(45,05,134)	(30,00,491)
3.9 Non-current borrowings		
Secured - at amortised cost		
Debentures:		
3,000 (March 31, 2022: Nil) Non Convertible Debentures of Rs. 10,00,000 each	24,00,000	-
	24,00,000	-
3.9(a1) Nature of security for Rupee loans		
(i) Non Convertible Debentures of Rs. 30,00,000 thousands (March 31, 2022 Rs. Nil) are secured by charge on immovable and movable property. (Refer Note 17)		
(ii) Current maturities of Long term borrowings have been classified as current borrowings (Refer Note 3.10)		
3.9(a2) Terms of Repayment and Interest		
(i) Non Convertible Debenture of Rs. 30,00,000 thousands (March 31, 2022 Nil) is repayable in 7 half yearly instalments from September 30, 2023 and carry an interest rate of 9.12% per annum payable on half yearly basis.		
3.10 Current borrowings		
Secured - at amortised cost		
Current maturities of long-term borrowings	6,00,000	29,99,800
Unsecured		
Intercompany deposit from fellow subsidiary (Refer Note 6)	40,53,586	-
	46,53,586	29,99,800
3.10(a) Nature of security for Rupee loans		
(i) Rupee loan from Non banking financial institutions of Rs. Nil (March 31, 2022 Rs. 29,99,800 thousands) are secured by way of mortgage of building and pledge of shares held by Reliance Power Limited		
3.11 Trade payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 23)	64,559	42,676
	64,559	42,676
3.12 Other current financial liabilities		
Interest accrued and due on borrowings	-	25,54,233
Security deposits received	100	100
Retention money payable	219	219
Dues to Holding Company (Refer Note 6)	1,30,376	38,369
Dues to Fellow Subsidiary (Refer Note 6)	6,724	6,724
Others	23,227	32,735
	1,60,646	26,32,380

Reliance Natural Resources Limited

Notes to the financial statements as of and for the year ended March 31, 2023

Particulars	Rupees in '000	
	Year Ended March 31, 2023	Year Ended March 31, 2022
3.13 Other income		
Interest income:		
Bank deposits	731	731
Others - interest On Income Tax Refund	10	10
Provision written back	27	-
Lease rent	67,200	67,200
Other non-operating income	262	264
	68,230	68,205
3.14 Finance costs		
Interest on:		
Others/Loans	14,85,302	8,75,087
Other finance charges	204	8
	14,85,506	8,75,095
3.15 Other expense		
Rent expenses	44,757	43,188
Repairs and maintenance		
- Building	-	344
- Others	-	3,303
Stamp duty and filing fees	-	115
Legal and professional charges	2,588	736
Postage and telephone	427	102
Rates and taxes	4,975	2,793
Provision for doubtful advance	972	-
Miscellaneous expenses	21,062	18,347
	74,781	68,929

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

4) Contingent Liabilities:

Corporate Guarantee issued to financial institution for loan facility availed by fellow subsidiaries outstanding as at Balance Sheet date Rs. 82,60,000 thousands (March 31, 2022: Nil)

5) Details of Remuneration to Auditors:

Particulars	Rupees in '000	
	Year ended March 31, 2023	Year ended March 31, 2022
As Auditors		
For Statutory Audit	10	10
For Others	-	-
	10	10

6) Related party transactions:

(As per Ind AS 24)

A. Parties where control exists:

Holding Company:

Reliance Power Limited (R Power)

Fellow subsidiary:

Reliance Cleangen Limited (RCGL)

Rosa Power Supply Company Limited (RPSL)

B. Investing parties having significant influence on the Company directly or indirectly:

Reliance Infrastructure Limited (R Infra)

C. Details of transactions during the year and closing balance at the end of the year:

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Transactions during the year:		
Expenses incurred on our behalf		
RCGL	-	7
Expenses incurred on behalf of Subsidiary company		
RCGL	-	1,425
Rent income		
R Power	33,600	33,600
R Infra	33,600	33,600
ICD Taken		
R Power	80,920	60,396
RPSL	40,53,586	-
ICD Given		
R Power	42,652	12,718

Reliance Natural Resources Limited

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

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Closing Balance		
ICD Given		
R Power	24,34,398	23,91,746
Other Receivable		
R Power	42,000	-
R Infra	42,000	14,812
ICD Taken		
RPSL	40,53,586	-
Other Payables		
RCGL	6,724	6,724
R Power	1,27,689	46,769
R Infra	2,688	-

Other Transactions:

Corporate Guarantee issued to financial institution for loan facility availed by RPSL outstanding as at Balance Sheet date Rs. 82,60,000 thousands (March 31, 2022: Nil)

7) Earnings per share:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Profit / (Loss) after tax (A) (Rupees in '000)	(15,04,643)	(8,88,431)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	1,00,000	1,00,000
Basic and diluted earnings per share (A / B) (Rs.)	(15,046.43)	(8,884.31)
Nominal value of an equity share (Rs.)	5	5

8) Income taxes

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

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Profit / (Loss) before tax	(15,04,643)	(8,88,431)
Tax at the Indian tax rate of 26% (2021- 22 : 26%)	(3,91,207)	(2,30,992)
Tax losses for which no deferred tax assets was recognised	3,91,207	2,30,992
Income tax expense	-	-

(b) Tax Assets

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Opening balance	43,108	43,215
Add: Tax credit availed during the year	-	-
Less: Income Tax Refund received (net of tax credit)	195	107
Closing balance	42,913	43,108

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

9) Fair value measurements

(a) Financial instruments by category

The Company does not have any financial assets or liabilities which are measured at FVTPL or FVOCI.

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Financial assets		
Interest accrued on deposit	306	845
Cash and cash equivalents	20,920	20,897
Loans/ advances to Holding Co	24,34,398	23,91,746
Loans/advances to Others	1,166	970
Receivables from related parties	84,000	14,812
Balance with statutory authorities	1,368	814
Total financial assets	25,42,158	24,30,363
Financial liabilities		
Borrowing	70,53,586	29,99,800
Security deposits received	100	100
Retention money payable	219	219
Trade Payable	64,559	42,676
Interest accrued and due on borrowings	-	25,54,233
Dues to holding company	1,30,376	38,369
Dues to fellow subsidiaries	6,724	6,724
Others	23,227	32,735
Total financial liabilities	72,78,791	56,74,856

(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.

(c) Valuation technique used to determine fair values

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposits and borrowings has been considered same as carrying value since there have not been any material changes in the prevailing interest rates. Impact on account of changes in interest rates, if any has been considered immaterial.

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.

There were no transfers between any levels during the year.

Reliance Natural Resources Limited

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

10) 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, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(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 and financial assets carried at amortised cost

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.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company.

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 '000			
March 31, 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<u>Financial liabilities</u>				
Borrowings	49,16,282	27,69,437	-	76,85,719
Security deposits received	100	-	-	100
Retention money payable	219	-	-	219
Trade Payables	64,559	-	-	64,559
Interest accrued and due on borrowings	-	-	-	-
Due to Holding Company	1,30,376	-	-	1,30,376
Due to Fellow Subsidiary	6,724	-	-	6,724
Others	23,227	-	-	23,227
Total financial liabilities	51,41,487	27,69,437	-	79,10,924

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

	Rupees in '000			
March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<u>Financial liabilities</u>				
Borrowings	29,99,800	-	-	29,99,800
Security deposits received	100	-	-	100
Retention money payable	219	-	-	219
Trade Payables	42,676	-	-	42,676
Interest accrued and due on borrowings	25,54,233	-	-	25,54,233
Due to Holding Company	38,369	-	-	38,369
Due to Fellow Subsidiary	6,724	-	-	6,724
Others	32,735	-	-	32,735
Total financial liabilities	56,74,856	-	-	56,74,856

11) 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.

The Company monitors capital on basis of total equity on a periodic basis. Equity comprises all components of equity includes the fair value impact. Debt includes long term loan and short term loans. The following table summarizes the capital of the Group:

	Rupees in '000	
Particulars	March 31, 2023	March 31, 2022
Equity	(45,04,634)	(29,99,991)
Debt	70,53,586	29,99,800
Total	25,48,951	(191)

12) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

- 13) The Company has accumulated loss which has resulted into erosion of the Company's net worth. The management feels that this erosion is temporary in nature and the Company's future business plans and prospects with help the Company to turn around in future. The promoter of the Company has assured to infuse the funds as and when required, hence the Company has prepared its Financial Statements on going concern basis.
- 14) There are no reportable segments as per Ind AS 108 'Operating Segments'.
- 15) In the opinion of the Board, Current as well as Non-Current Assets have a value on realization in the ordinary course of business.

Reliance Natural Resources Limited

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

16) Changes in Liabilities arising from financing activities:

Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows		
		Rupees in '000
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Borrowings		
Opening balance	29,99,800	29,99,800
EIR Impact	200	-
Availed during the year	40,53,586	-
Repaid during the year	(30,00,000)	-
Non Convertible Debentures issued (Non Cash Transaction)	30,00,000	-
Closing Balance	70,53,586	29,99,800
Interest accrued and due on borrowings		
Opening Balance	25,54,233	16,79,611
Interest Charge as per Statement Profit & Loss / Intangible assets under development	14,85,302	8,75,087
Interest and Finance charges paid	(10,53,662)	(465)
TDS reversal	14,127	-
Interest converted into Non Convertible Debenture (Non Cash Transaction)	(30,00,000)	-
Closing Balance	-	25,54,233

17) Asset pledged as security

		Rupees in '000
Particulars	March 31, 2023	March 31, 2022
Non-financial asset		
Property, Plant & Equipment	1,85,341	1,59,439
Other Non Current Assets	45,425	-
Other Current Assets	1,233	-
Financial Assets		
Cash and Cash equivalents	20,920	-
Loans	24,35,564	-
Other Financial Assets	85,674	-
Total	27,74,157	1,59,439

18) Delay/ Default in repayment of Borrowings and interest

Sr.	Name of Lender	Borrowings		Interest	
		Delay in repayment during the year ended March 31, 2023		Delay in repayment during the year ended March 31, 2023	
		Amount	Period	Amount	Period
		(Rs. in '000)	(Maximum Days)	(Rs. in '000)	(Maximum Days)
1	APRN Enterprises Private Limited (formerly Dewan Housing Finance Corporation Limited)	30,00,000	1116	30,00,000	1481
		<u>30,00,000</u>		<u>30,00,000</u>	

Reliance Natural Resources Limited

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

- 19) (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.
- 20) The Company has not made any transactions with any company Struck Off under section 248 of the Companies Act, 2013.
- 21) The Company has not entered into any Scheme of Arrangements in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- 22) The Company has neither traded nor invested in Crypto Currency or any Virtual Currency during the year.
- 23) During the year the company is not declared willful defaulter by any bank or financial institution or other lender.
- 24) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets which have been recorded in the books of accounts during the year.
- 25) Provisions regarding "Corporate Social Responsibility" (CSR) are not applicable to the Company.
- 26) There are no loans given, investments made, guarantee given and security provided by the Company covered U/s 186(4) of the Companies Act, 2013.

27) Financial Performance Ratios:

Sr	Particulars	March 31, 2023	March 31, 2022	Variance (%)
A	Current ratio (in times)	0.52	0.43	21
B	Debt Equity ratio (in times)	(1.57)	(1.00)	57 ⁽¹⁾
C	Debt Service Coverage ratio (in times)	NA	NA	NA
D	Return on Equity ratio (in %)	NA*	NA*	NA
E	Inventory turnover ratio (in times)	NA	NA	NA
F	Trade Receivables turnover ratio (in times)	NA	NA	NA
G	Trade Payables turnover ratio (in times)	NA	NA	NA
H	Net Capital turnover ratio (in times)	NA	NA	NA
I	Net Profit ratio (in %)	NA	NA	NA
J	Return on capital employed (in %)	(0.59)	(4651.47)	(100) ⁽¹⁾
K	Return on Investment (in %)	(0.33)	(0.30)	10

Ratios have been computed as under:

- Current Ratio: Current Assets/Current Liabilities
- Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve
- 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).
- Return on Equity = Net profit / Shareholder's fund
- Inventory turnover ratio = Turnover / Average inventory
- Trade Receivables turnover ratio = Turnover / Average Receivables
- Trade Payables turnover ratio = Turnover / Average Payables
- Net Capital turnover ratio = Turnover / Capital Employed
- Net Profit ratio = Net Profit / Turnover
- Return on capital employed = Net Profit / (Debt + Equity)
- Return on Investment = Net profit before interest and dividend / Equity

* Due to negative net worth

⁽¹⁾ Due to loss of current year, equity gets decreased and debt has been increased.

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

28) Trade Payables Ageing:

Ageing	Rupees in '000	
	March 31, 2023	March 31, 2022
Not due	1,470	1,263
Less than 1 year	29,912	11,100
1 to 2 years	5,234	6,260
2 to 3 years	3,652	1,911
More than 3 years	24,291	22,142
Total	64,559	42,676

29) Previous year's figures are regrouped / reclassified, wherever necessary.

Reliance Natural Resources Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No: 130381W

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Place : Mumbai
Date : April 19, 2023

Umesh Kumar Agrawal
Director
Din : 02908684

Place : Mumbai
Date : April 19, 2023

Ajit Verma
Director
Din : 07422834