

**Independent Auditor's Report**

**To The Members of Rosa Power Supply Company Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Rosa Power Supply Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("together 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 ("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 the 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 profit, its other comprehensive loss, its cash flows and the changes in equity 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) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the consolidated financial statements, 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. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

### **Management's Responsibility for the Financial Statements**

The Company's management and 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 the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the 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 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.

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

### **Auditor's Responsibility 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 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 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 the 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.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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 loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account and returns.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) 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.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 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 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 procedures 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.

# Pathak H.D. & Associates LLP

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- v. The Company has not declared or paid any dividend during the year.
- vi. Pursuant to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 01, 2023 to the Company which are companies incorporated in India and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration No. 107783W/W100593

**Jigar T. Shah**  
Partner  
Membership No. 161851  
UDIN: 23161851BGSWXQ8433

**Date:** April 28, 2023  
**Place:** Mumbai

**Annexure "A" To the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Rosa Power Supply Company Limited for the year ended March 31, 2023)

**i. In respect of its Property Plant and Equipment:**

(a) (A) Based on the records examined by us and information and explanation given to us the Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(B) Based on the records examined by us and information and explanation given to us the company does not have any intangible assets.

(b) The Property Plant and Equipment were physically verified by the Management in a phased periodical manner over a period of three years which, in our opinion is reasonable having regards to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and the records examined by us, the title deed of immovable property, as disclosed in Note 3.1 on the Property, Plant and Equipment and Immoveable property classified under the Finance lease receivable in note 3.2 (b) to the financial statements, are held in the name of the Company.

(d) Based on the records examined by us and information and explanation given to us by the Company, the Company during the year has not revalued its Property Plant and Equipment (including rights of use assets), hence, the requirements of the said clause i(d) of paragraph 3 of the Order is not applicable to the Company.

(e) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanation given to us and records examined by us, the management of the Company has conducted physical verification of its inventories at regular intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. As explained to us and on the basis of records examined by us, the value of discrepancies noticed on physical verification by the management did not exceed 10% or more in aggregate of each class of inventory.

(b) Based on the records examined by us and information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crores from banks on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. (a) On the basis of examination of records of the Company, during the year the Company has granted loans to various companies. The details of aggregate amount of loans granted and guarantee provided during the year and balance outstanding as at the balance sheet date of such loans and guarantees are as under.

| Particulars  | Amount (Rs. In Lakhs) |            |
|--|-----------------------|------------|
|  | Loans                 | Guarantees |
| <b>Aggregate amount granted / provided during the year</b> |                       |            |
| - Holding Company  | 53,811                | -          |
| - Fellow Subsidiary  | 40,536                | 30,000     |
| - Associates   | -                     | -          |
| - Joint Ventures   | -                     | -          |
| - Other Companies  | -                     | -          |
| <b>Balance outstanding as at March 31, 2023</b>            |                       |            |
| - Holding Company  | 3,45,385              | -          |
| - Fellow Subsidiary  | 40,536                | 30,000     |
| - Associates   | -                     | -          |
| - Joint Ventures   | -                     | -          |
| - Other Companies  | -                     | -          |

Based on the examination of records of the Company and according to the information and explanation given to us during the year, the Company has not provided security or granted any advances in the nature of loans, secured or unsecured to any Company, Limited Liability Partnerships, Firms or any other parties.

- (b) In our opinion and according to the information and explanation given to us, the Company has not made investments during the year and terms and conditions of loans granted during the year are prime facie not prejudicial to the interest of the Company.
- (c) Based on the records examined by us and information and explanation given to us, the schedule of repayment of principal and interest has been stipulated and the repayments/receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (f) In our opinion and according to information and explanation given and records examined by us, there is no loans granted which have fallen due during the year have been renewed to settle the over dues of existing loans given to the same parties.
- (f) Based on our verification of records of the Company and information and explanation given to us, the Company has granted loans either repayable on demand or without specifying any terms or period of repayment are as follows:

| Particulars   | Rs. In Lakhs    |                 |                 |
|---|-----------------|-----------------|-----------------|
|   | All Parties     | Promoters       | Related Parties |
| <b>Aggregate amount of loans/ advances in nature of loans:</b>      |                 |                 |                 |
| - Repayable on demand (A)   | 3,85,931        | 3,45,385        | 40,546          |
| - Agreement does not specify any terms or period of repayment (B)   | -               | -               | -               |
| <b>Total (A+B)</b>  | <b>3,85,931</b> | <b>3,45,385</b> | <b>40,546</b>   |
| Percentage of loans/ advances in nature of loans to the total loans | 100%            | 89.49%          | 10.51%          |

- iv. In our opinion and according to the information and explanations given to us, the Company has not directly or indirectly advanced 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, to the extent as 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 of sections 73 to 76 of the Act and the Rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of sale of electricity where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been prepared and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. Based on the records examined by us and according to the information and explanations given to us, in respect of statutory dues:
- 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 regular in depositing the undisputed statutory dues in respect of income tax and is regular in depositing undisputed statutory dues, including provident fund, goods and services tax, and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of value added tax, employee state insurance, sales tax, cess, duty of customs and duty of excise.
- b) Details of statutory dues referred to in clause vii (a) above, which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Name of the Statute  | Nature of Dues | Amount<br>(Rs. in<br>Lakhs) | Period to which<br>the amount<br>relates | Forum where the<br>dispute is pending           |
|----------------------|----------------|-----------------------------|--|---|
| Income Tax Act, 1961 | Income Tax     | 709                         | AY 2016-2017                             | Commissioner of Income<br>Tax (Appeals), Mumbai |
| Income Tax Act, 1961 | Income Tax     | 140                         | A.Y 2017-2018                            | Assistant Commissioner<br>of Income Tax, Mumbai |
| Income Tax Act, 1961 | Income Tax     | 100                         | A.Y 2020-2021                            | Assessing Officer,<br>Mumbai                    |
| <b>Total</b>         |                | <b>949</b>                  |  |   |

- viii. According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



- ix. (a) Based on the examination of records and information and explanation given to us, the Company has not defaulted in repayment of its loans or payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of the audit procedures, we report that the Company has not been declared as wilful defaulter by any banks, financial institution or government or any government authority.
- (c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the Company has raised term loans from a lender and the same were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes.
- (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) In our opinion and according to the information and explanations given 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) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause x(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company, during the year, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause x(b) of paragraph 3 of the Order is not applicable to the Company.
- xi. (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (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 the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 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 in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the financial statements.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them, and hence provisions of Section 192 of the Act, are 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) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.
- (c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company 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 part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii. Based on the examination of records, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- 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, no material uncertainty exists as on the date of the audit report that 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. 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.

# Pathak H.D. & Associates LLP

Chartered Accountants

- xx. (a) Based on the examination of records of the Company and according to the information and explanation given to us by the Company, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.
- (b) Based on the examination of records of the Company, and according to the information and explanations given to us, in respect of ongoing projects there were unspent amount which is required to be deposited to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act (Refer Note 22).

**For Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration No. 107783W/W100593

**Jigar T. Shah**  
Partner  
Membership No. 161851  
UDIN: 23161851BGSWXQ8433

**Date: April 28, 2023**  
**Place: Mumbai**

**Annexure “B” To the Independent Auditors’ Report**

(Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of **Rosa Power Supply Company Limited** for the year ended March 31, 2023).

**Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of Rosa Power Supply Company Limited (“the Company”) 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 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 Institute of Chartered Accountants of India (the “Guidance Note”). 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 with reference to financial statements with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 with reference to financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements with reference to these financial statements, 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 judgement, 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 with reference to these financial statements.

**Meaning of internal financial controls with reference to these financial statements**

A company's internal financial control with reference to these 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 control with reference to these financial statements 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 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.

**Inherent limitations of internal financial controls with reference to these financial statements**

Because of the inherent limitations of internal financial controls with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these 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, to the best of our information and according to the explanations given to us 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 these financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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.

**For Pathak H. D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W/W100593

**Jigar T. Shah**

Partner

Membership No. 161851

UDIN: 23161851BGSWXQ8433

**Date: April 28, 2023**

**Place: Mumbai**

**Rosa Power Supply Company Limited**  
**Balance Sheet as at March 31, 2023**

| Particulars   | Note    | Rupees in lakhs         |                         |
|---|---------|-------------------------|-------------------------|
|   |         | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>ASSETS</b>   |         |                         |                         |
| <b>Non-current assets</b>                                 |         |                         |                         |
| Property, plant and equipment                             | 3.1     | 614                     | 716                     |
| Financial assets :  |         |                         |                         |
| Investments   | 3.2(a)  | 1                       | 1                       |
| Finance lease receivables                                 | 3.2(b)  | 3,38,153                | 3,64,826                |
| Other non-current assets                                  | 3.3     | 1                       | 3,383                   |
| Non-current tax assets                                    | 3.4     | 2,800                   | 2,414                   |
| <b>Total</b>  |         | <b>3,41,569</b>         | <b>3,71,340</b>         |
| <b>Current assets</b>                                     |         |                         |                         |
| Inventories   | 3.5     | 16,674                  | 10,711                  |
| Financial assets  |         |                         |                         |
| Trade receivables   | 3.6(a)  | 49,094                  | 79,961                  |
| Cash and cash equivalents                                 | 3.6(b)  | 2,006                   | 3,312                   |
| Bank balances other than cash and cash equivalents        | 3.6(c)  | 784                     | 1,433                   |
| Loans   | 3.6(d)  | 3,85,970                | 3,01,805                |
| Finance lease receivables                                 | 3.2(b)  | 26,672                  | 29,653                  |
| Other financial assets                                    | 3.6(e)  | 25                      | 99                      |
| Other current assets                                      | 3.7     | 1,740                   | 979                     |
| <b>Total</b>  |         | <b>4,82,965</b>         | <b>4,27,953</b>         |
| <b>Total Assets</b>                                       |         | <b>8,24,534</b>         | <b>7,99,293</b>         |
| <b>EQUITY AND LIABILITIES</b>                             |         |                         |                         |
| <b>Equity</b>   |         |                         |                         |
| Equity share capital                                      | 3.8     | 42,441                  | 42,441                  |
| Other equity  |         |                         |                         |
| Instruments entirely equity in nature                     | 3.9     | 42                      | 42                      |
| Reserves and surplus & other reserves                     | 3.10    | 5,21,044                | 4,98,043                |
| <b>Total</b>  |         | <b>5,63,527</b>         | <b>5,40,526</b>         |
| <b>Liabilities</b>  |         |                         |                         |
| <b>Non-current liabilities</b>                            |         |                         |                         |
| Financial liabilities                                     |         |                         |                         |
| Borrowings  | 3.11    | 77,243                  | 28,901                  |
| Other financial liabilities                               | 3.12    | 59,916                  | 16,774                  |
| Provisions  | 3.13    | 1,479                   | 795                     |
| Deferred tax liabilities (net)                            | 3.14    | 77,914                  | 78,697                  |
| <b>Total</b>  |         | <b>2,16,552</b>         | <b>1,25,167</b>         |
| <b>Current liabilities</b>                                |         |                         |                         |
| Financial liabilities                                     |         |                         |                         |
| Borrowings  | 3.15(a) | 22,222                  | 89,613                  |
| Trade payables  | 3.15(b) |                         |                         |
| (i) Total outstanding dues of micro and small enterprises |         | 675                     | 438                     |
| (ii) Total outstanding dues of other than (i) above       |         | 3,872                   | 8,841                   |
| Other financial liabilities                               | 3.15(c) | 17,266                  | 34,401                  |
| Other current liabilities                                 | 3.16    | 167                     | 165                     |
| Provisions  | 3.17    | 253                     | 142                     |
| <b>Total</b>  |         | <b>44,455</b>           | <b>1,33,600</b>         |
| <b>Total Equity and Liabilities</b>                       |         | <b>8,24,534</b>         | <b>7,99,293</b>         |
| Significant accounting policies                           | 2       |                         |                         |
| Notes to financial statements                             | 1 to 31 |                         |                         |

**Rosa Power Supply Company Limited**

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W / W 100593

**For and on behalf of the Board of Directors**

**Jigar T.Shah**

Partner

Membership No. 161851

**Manoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: April 28, 2023

**Chhaya Virani**

Director

DIN 06953556

**Karunesh Mishra**

Chief Financial Officer

**Snigdha Khadkelwal**

Company Secretary

Membership No. A58322

Place: Mumbai

Date: April 28, 2023

**Rosa Power Supply Company Limited**

**Statement of Profit and Loss for the year ended March 31, 2023**

| Particulars   | Note    | Rupees in lakhs              |                              |
|---|---------|------------------------------|------------------------------|
|   |         | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| Revenue from operations   | 3.18    | 3,10,442                     | 2,62,784                     |
| Other income  | 3.19    | 1,695                        | 801                          |
| <b>Total Income</b>   |         | <b>3,12,137</b>              | <b>2,63,585</b>              |
| Expenses:   |         |                              |                              |
| Cost of fuel consumed   | 20      | 1,94,611                     | 1,49,292                     |
| Employee benefits expense   | 3.20    | 5,936                        | 5,444                        |
| Finance costs   | 3.21    | 13,818                       | 19,757                       |
| Depreciation and amortisation expenses  | 3.1     | 116                          | 88                           |
| Other expenses  | 3.22    | 71,190                       | 75,593                       |
| <b>Total expenses</b>   |         | <b>2,85,671</b>              | <b>2,50,174</b>              |
| <b>Profit / (loss) before tax</b>   |         | <b>26,466</b>                | <b>13,411</b>                |
| Tax expense:  |         |                              |                              |
| Current tax   |         | 4,624                        | 2,341                        |
| Deferred tax Charge/(Credit)  |         | (783)                        | (5,387)                      |
| <b>Profit / (loss) for the year (A)</b>                                       |         | <b>22,625</b>                | <b>16,457</b>                |
| <b>Other Comprehensive Income/(loss)</b>                                      |         |                              |                              |
| <b>Items that will not be reclassified to profit or loss</b>                  |         |                              |                              |
| Remeasurements net defined benefit plan income/ (loss) ( Refer note 7(c)(ii)) |         | (563)                        | 15                           |
| <b>Other Comprehensive Income / (loss) for the year (B)</b>                   |         | <b>(563)</b>                 | <b>15</b>                    |
| <b>Total Comprehensive Income / (loss) for the year (A+B)</b>                 |         | <b>22,062</b>                | <b>16,472</b>                |
| <b>Earnings per equity share: (Face value of Rs. 10 each)</b>                 | 10      |                              |                              |
| - Basic   |         | 5.33                         | 3.88                         |
| - Diluted   |         | 5.32                         | 3.87                         |
| (Refer note 10)   |         |                              |                              |
| Significant accounting policies   | 2       |                              |                              |
| Notes on financial statements   | 1 to 31 |                              |                              |



**Rosa Power Supply Company Limited**

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W / W 100593

**For and on behalf of the Board of Directors**

**Jigar T.Shah**

Partner

Membership No. 161851

**Manoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: April 28, 2023

**Chhaya Virani**

Director

DIN 08953556

**Karunesh Mishra**

Chief Financial Officer

**Snigdha Khandelwal**

Company Secretary

Membership No. A58322

Place: Mumbai

Date: April 28, 2023

**Rosa Power Supply Company Limited**  
**Cash Flow Statement for the year ended March 31, 2023**

| Particulars   | Rupees in lakhs              |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| <b>(A) Cash flow from Operating Activities</b>                      |                              |                              |
| Net Profit before tax   | 26,466                       | 13,411                       |
| Adjusted for :  |                              |                              |
| Decrease in lease receivables                                       | 29,653                       | 29,766                       |
| Interest and Other finance cost                                     | 13,818                       | 19,756                       |
| Depreciation and amortisation expenses                              | 116                          | 88                           |
| Receivables written off   | 13,577                       | 12,812                       |
| Refundable against regulatory order                                 | 38,885                       | 32,008                       |
| Unbilled revenue written off  | -                            | 12,102                       |
| Other Income  | (959)                        | -                            |
| Liabilities written Back  | (117)                        | (158)                        |
| Amortisation of forex loss  | 1,338                        | 2,356                        |
| Provision for gratuity and leave encashment                         | 232                          | 77                           |
| Operating Profit before working capital changes                     | <b>1,23,009</b>              | <b>1,22,218</b>              |
| Changes in Working Capital:   |                              |                              |
| (Increase) / decrease in trade receivables                          | 30,867                       | (48,112)                     |
| (Increase) / decrease in inventories                                | (5,963)                      | 3,408                        |
| (Increase) / decrease in financial and other assets                 | (10,729)                     | 13,243                       |
| Increase / (decrease) in trade and other liabilities                | (17,876)                     | 7,348                        |
|   | <b>(3,702)</b>               | <b>(24,113)</b>              |
| Taxes paid (net of refunds)   | (4,320)                      | (3,240)                      |
| <b>Net cash generated from operating activities</b>                 | <b>1,14,987</b>              | <b>94,865</b>                |
| <b>(B) Cash flow from Investing Activities</b>                      |                              |                              |
| Payments for Property, plant and equipment                          | (14)                         | (166)                        |
| Inter corporate deposits given to the Holding Company               | (43,856)                     | -                            |
| Inter corporate deposits given to Fellow subsidiary Company         | (40,536)                     | -                            |
| Margin Money / Deposits for a period of more than three months      | (650)                        | 2,484                        |
| Interest received   | 191                          | 74                           |
| <b>Net cash generated from/(used in) investing activities</b>       | <b>(84,864)</b>              | <b>2,392</b>                 |
| <b>(C) Cash flow from financing Activities</b>                      |                              |                              |
| Repayment of long term borrowings                                   | (35,744)                     | (29,511)                     |
| Proceeds of long term borrowings                                    | 82,600                       | -                            |
| Proceeds/(repayment) of short term borrowings                       | (63,939)                     | (47,139)                     |
| Interest and other finance cost paid                                | (14,346)                     | (18,508)                     |
| <b>Net cash generated from/(used in) financing activities</b>       | <b>(31,429)</b>              | <b>(95,158)</b>              |
| <b>Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)</b> | <b>(1,306)</b>               | <b>2,099</b>                 |
| <b>Cash and Cash equivalents at the beginning of the year:</b>      |                              |                              |
| Bank Balance - Current Account                                      | 3,312                        | 1,213                        |
| <b>Cash and Cash equivalents at the end of the year:</b>            |                              |                              |
| Bank Balance - Current Account                                      | <b>2,006</b>                 | <b>3,312</b>                 |

The accompanying notes are an integral part of these financial statements

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of cash flows".

**Rosa Power Supply Company Limited**

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W / W 100593

**For and on behalf of the Board of Directors**

**Jigar T.Shah**

Partner

Membership No. 161851

**Manoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: April 28, 2023

**Chhaya Virani**

Director

DIN 06953556

**Karunesh Mishra**

Chief Financial Officer

**Snigdha Khandelwal**

Company Secretary

Membership No. A58322

Place: Mumbai

Date: April 28, 2023

Rosa Power Supply Company Limited  
Statement of Changes in Equity as at March 31, 2023

A. Equity share capital (Refer note 3.8)

1. As at March 31, 2023

| Particulars          | Rupees in lakhs              |   |                              |
|----------------------|------------------------------|---|------------------------------|
|                      | Balance as at April 01, 2022 | Changes in equity Share Capital during the current year | Balance as at March 31, 2023 |
| Equity Share Capital | 42,441                       | -   | 42,441                       |

2. As at March 31, 2022

| Particulars          | Rupees in lakhs              |   |                              |
|----------------------|------------------------------|---|------------------------------|
|                      | Balance as at April 01, 2021 | Changes in equity Share Capital during the current year | Balance as at March 31, 2022 |
| Equity Share Capital | 42,441                       | -   | 42,441                       |

B. Other Equity ( Refer Note 3.9 & 3.10)

| Particulars  | Rupees in lakhs                      |                      |   |                   |   |
|--|--------------------------------------|----------------------|---|-------------------|---|
|  | Instrument entirely equity in nature | Reserves and surplus |   |                   | Other reserves                            |
|  | Preference Shares                    | Securities premium   | Foreign currency monetary item translation difference account | Retained earnings | Other items of Other Comprehensive Income |
| Balance as at April 1, 2022                            | 42                                   | 1,16,088             | (939)   | 3,83,096          | (202)                                     |
| Profit for the year                                    | -                                    | -                    | -   | 22,625            | -   |
| Remeasurements net defined benefit plan income/ (loss) | -                                    | -                    | -   | -                 | (563)                                     |
| Additions during the year                              | -                                    | -                    | -   | -                 | -   |
| Amortisation during the year                           | -                                    | -                    | 939   | -                 | -   |
| Balance as at March 31, 2023                           | 42                                   | 1,16,088             | -   | 4,05,721          | (765)                                     |
| Balance as at April 1, 2021                            | 42                                   | 1,16,088             | (2,758)   | 3,66,639          | (217)                                     |
| Profit for the year                                    | -                                    | -                    | -   | 16,457            | -   |
| Remeasurements net defined benefit plan income/ (loss) | -                                    | -                    | -   | -                 | 15  |
| Additions/(deletion) during the year                   | -                                    | -                    | (469)   | -                 | -   |
| Amortisation during the year                           | -                                    | -                    | 2,288   | -                 | -   |
| Balance as at March 31, 2022                           | 42                                   | 1,16,088             | (939)   | 3,83,096          | (202)                                     |

**Rosa Power Supply Company Limited**

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W / W 100593

**For and on behalf of the Board of Directors**

**Jigar T.Shah**

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DIN 07728913

Place: Mumbai

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**Chhaya Virani**

Director

DIN 06953556

**Karunesh Mishra**

Chief Financial Officer

**Snigdha Khandelwal**

Company Secretary

Membership No. A58322

Place: Mumbai

Date: April 28, 2023

**1) General information**

Rosa Power Supply Company Limited, a wholly owned subsidiary of Reliance Power Limited, has set up a Power Project of 1,200 Mega Watt (MW) at Shahjahanpur district, Uttar Pradesh. The entire power generated is being sold to Uttar Pradesh Power Corporation Limited (UPPCL) as per the terms of Power Purchase Agreement (PPA) read with the regulation issued by Uttar Pradesh Electricity Regulatory Commission (UPERC).

The Company is a public limited Company and is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at Reliance Centre, 19 Walchand Hirachand Marg, Balard Estate, Mumbai – 400 001.

These financial statements were authorised for issue by the Board of Directors on April 28, 2023

**2) Significant accounting policies and critical accounting estimates and judgements:**

**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 of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented, unless otherwise stated.

**Functional and presentation currency**

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

**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, maximizing 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 realised, 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:**

All Items of Property, plant and equipment (PPE) are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of PPE comprises of its purchase price and capitalised borrowing costs, including any cost directly attributable to bringing the assets to their working condition for their intended use.

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 repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Spare parts are recognised when they meet the definition of PPE, otherwise, such items are classified as inventory.

**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 lives of the following assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

| Particulars             | Estimated useful lives |
|-------------------------|------------------------|
| Buildings               | 60 years               |
| Motor vehicles          | 8 years                |
| Office Equipment        | 5 Years                |
| Computers & accessories | 3-6 Years              |
| Furniture and Fixture   | 10 Years               |

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.

**(c) Intangible assets:**

(i). 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.

(ii). 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:**

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation 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.

Computer software is amortised over an estimated useful life of 3 years.

**(d) Leases**

**The Company as a Lessor**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

These leases are analysed based on the situations and indicators set out in Ind AS-116 - Leases in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Company to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether

- (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term;
- (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option;
- (iii) the lease term is for the major part of the economic life of the asset;
- (iv) the asset is of a highly specialized nature; and
- (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

Ind AS 116 "Leases" deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers / suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the latter case, a finance lease receivable is recognized to reflect the financing deemed to be granted by the Company where it is considered as acting as lessor and its customers as lessees.

The Company has assessed finance lease with respect to the terms of PPA, where the agreement conveys to the purchaser of the energy an exclusive right to use generated energy.

In case of finance leases, where assets are leased out under a finance lease, the amount recognised under finance lease receivables is an amount equal to the net investment in the lease.

Minimum lease payment made under finance lease is apportioned between the finance income and the reduction of the outstanding receivables. The finance income is allocated to each period during the lease terms so as to produce a constant periodic rate of interest on the remaining balance of the lease receivable.

#### **The Company is the lessee**

The Company has taken office premises and guests houses on lease which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

#### **(e) 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, they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **(f) Trade Receivable:**

A receivable represents the Company's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of consideration is due and the amount is billable.

#### **(g) Financial Instruments:**

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

##### **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 has elected to account for investments in equity instruments of fellow subsidiaries at cost in its financial statements.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**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 statement of 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 FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of 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 FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments**

The Company subsequently measures all equity investments in fellow subsidiaries, associates and joint ventures at cost. Dividends from such investments are recognised in statement of profit or loss as other income when the Company's right to receive payments is established.

**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 require 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. While 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. Other interest income are recognised in time proportionate/accrual basis.

**Dividend**

Dividends are recognised in statement of 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.

**(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, loan and borrowings including bank overdrafts.

**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 payables:**

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.

**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 statement of 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 and 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) 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.

**(k) 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.

**(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' (Rs.), which is the Company's functional and presentation currency. All amounts are rounded off to nearest lakhs, unless otherwise stated.

**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 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.

(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.

**(m) Revenue from Contracts with Customers and Other Income**

The company derives revenue primarily from sale of energy to Uttar Pradesh Power Corporation Limited (UPPCL). Effective April 1, 2018 the Company has applied Ind AS 115 – "Revenue from Contracts with Customers", which establish a comprehensive framework for determining whether, how and when revenue is to be recognised. The Company recognises revenue when it transfers control over a product or service to a customer.

There is no impact on application of Ind AS 115 on the financial statements.

**Sale of energy**

Revenue from sale of energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of Power Purchase Agreement (PPA) with UPPCL. In case where final tariff rates are yet to be approved / agreed, provisional tariff is adopted based on provisional tariff order issued by UPERC. Further, the revenue is also recognised towards truing up of fixed charges as per the petitions filed based on the principles enunciated in the PPA and UPERC (Terms & Condition of Generation Tariff) Regulations, 2014.

Revenue from sale of energy referred to above includes fixed charges considered as minimum lease payments in accordance with Ind AS-116 'Leases', which is apportioned between finance income and reduction of finance lease receivables and finance income is disclosed as 'Finance Income' under "Other Operating Revenue" (Refer note 2.1 (d)). Revenue towards truing up of fixed charges is recognized as operating income in the Statement of Profit and Loss in the year of truing up. In case of difference between the revenue recognized based on provisional tariff order/petitions filed and final tariff order, minimum lease payments is adjusted to the extent of difference for balance period of lease to arrive at revised internal rate of return based on which minimum lease payments is apportioned between finance income and reduction of finance lease receivables.

**Other Income**

For income recognition refer note 2 (g) (v).

**(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 statement of profit or loss.

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.
- superannuation 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.

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 statement of 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 fund**

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 Nippon Life Insurance Company Limited.

#### **(o) Income taxes:**

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 on 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 bases 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 statement of 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:**

Cash and cash equivalents include 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 are 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 adjust 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 authorized 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. In case of gain on physical verification inventories valued at realisable value.

## 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 judgments 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 makes 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 assets and plants given on finance lease classified as finance lease receivables:**

The Company has independently estimated the useful life of property, plant and equipment based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. 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 equipment and unguaranteed finance lease receivables. (Refer note 3.1 and 3.3(b))

**(b) Impairment of assets:**

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment and the unguaranteed residual value of assets given on lease 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 / residual value is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

**(c) Defined benefit obligations:**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**(d) 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. (Refer note 12)

**(e) Deferred tax**

The Company has deferred tax liabilities which are expected to be realised through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Company is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation that future operating performance will be consistent with historical levels of operating results and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer note 3.13 and 12)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

According to management's estimate, MAT credit balances will expire and may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available

that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these balances.

**(f) Revenue Recognition:**

Revenue from Sale of Energy is recognised on an accrual basis as per the tariff rates approved by Uttar Pradesh Electricity Regulatory Commission (UPERC) in accordance with the provisions of power purchase agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL). [In case where tariff rates are yet to be approved/agreed, provisional rates are adopted based on the principals enunciated in PPA and UPERC regulations. Deviation from such estimate could result in significant adjustment to the revenue recognition/receivables of the Company. (Refer note 15)]

**(g) Fair value measurement and valuation process**

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement.

Estimates and judgements 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 16)

**(h) Application of lease accounting:**

Significant judgement is required to apply lease accounting rules under Ind AS 116 "Leases". In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Finance Lease.

**Classification of lease**

Significant judgement has been applied by the Company in determining whether substantially all the significant risks and rewards of ownership of the lease assets are transferred to the other entities.

**(i) 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



**Rosa Power Supply Company Limited**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

**3.1 Property, plant and equipment**

|   | Buildings  | Furniture & fixtures | Motor vehicles | Office equipment | Computers  | Rupees in lakhs<br>Total |
|---|------------|----------------------|----------------|------------------|------------|--------------------------|
| Gross Carrying amount as at April 1, 2021   | 396        | 18                   | 300            | 65               | 68         | 847                      |
| Additions during the year                   | -          | 5                    | 5              | 82               | 163        | 255                      |
| <b>Carrying amount as at March 31, 2022</b> | <b>396</b> | <b>23</b>            | <b>305</b>     | <b>147</b>       | <b>231</b> | <b>1,102</b>             |
| <b>Accumulated depreciation</b>             |            |                      |                |                  |            |                          |
| Balance as at April 1, 2021                 | 96         | 7                    | 151            | 20               | 24         | 298                      |
| Depreciation for the year                   | 16         | 4                    | 38             | 15               | 15         | 88                       |
| <b>Balance as at March 31, 2022</b>         | <b>112</b> | <b>11</b>            | <b>189</b>     | <b>35</b>        | <b>39</b>  | <b>386</b>               |
| Gross Carrying amount as at April 1, 2022   | 396        | 23                   | 305            | 147              | 231        | 1,102                    |
| Additions during the year                   | -          | 6                    | -              | 10               | 18         | 34                       |
| Deletion during the year                    | -          | -                    | 20             | -                | -          | 20                       |
| <b>Carrying amount as at March 31, 2023</b> | <b>396</b> | <b>29</b>            | <b>285</b>     | <b>157</b>       | <b>249</b> | <b>1,116</b>             |
| <b>Accumulated depreciation</b>             |            |                      |                |                  |            |                          |
| Balance as at April 1, 2022                 | 112        | 11                   | 189            | 35               | 39         | 386                      |
| Depreciation for the year                   | 16         | 4                    | 35             | 18               | 60         | 133                      |
| Deduction during the year                   | -          | -                    | 17             | -                | -          | 17                       |
| <b>Balance as at March 31, 2023</b>         | <b>128</b> | <b>15</b>            | <b>207</b>     | <b>53</b>        | <b>99</b>  | <b>502</b>               |
| <b>Net Carrying Amount</b>                  |            |                      |                |                  |            |                          |
| As at March 31, 2022                        | 284        | 12                   | 116            | 112              | 192        | 716                      |
| <b>As at March 31, 2023</b>                 | <b>268</b> | <b>14</b>            | <b>77</b>      | <b>105</b>       | <b>150</b> | <b>614</b>               |

**Rosa Power Supply Company Limited**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

|   | Rupees in lakhs         |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>3.2 Non-current Financial assets</b>   |                         |                         |
| <b>3.2(a) Non-current investments (At Amortised Cost )</b>  |                         |                         |
| <b>A) Equity share (unquoted, fully paid-up) (at cost)</b>  |                         |                         |
| <b>In Associate Company:</b>  |                         |                         |
| Vidarbha Industries Power Limited - 364,970 (March 31, 2022: 364,970 ) shares at face value Rs. 10 each   | -                       | -                       |
| <b>In Joint Venture:</b>  |                         |                         |
| Reliance Geothermal Power Private Limited - 5,000 (March 31, 2022: 5,000) shares at face value Rs. 10 each  | 1                       | 1                       |
| <b>B) Preference shares (unquoted, fully paid up) (at cost): <sup>1</sup></b>   |                         |                         |
| <b>In Associate Company:</b>  |                         |                         |
| Vidarbha Industries Power Limited - 4,020,202 (March 31, 2022: 4,020,202) shares at face value of Rs. 10 each   | -                       | -                       |
| <b>In Fellow Subsidiary:</b>  |                         |                         |
| Kalai Power Private Limited - 1,000,000 (March 31, 2022: 1,000,000) shares at face value of Re. 1 each  | -                       | -                       |
| <b>Aggregate book value of unquoted investments</b>   | <b>1</b>                | <b>1</b>                |
| <b><sup>1</sup>7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>  |                         |                         |
| The issuer companies shall have a call option on CCRPS which can be exercised by them 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 Company, however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer companies or the CCRPS holder thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into equity share of corresponding value (including the premium applicable thereon ). In case the issuer companies declare dividend on their equity shares, the CCRPS holders will also be entitled to the equity dividend in addition to the coupon rate of dividend. |                         |                         |
| <b>3.2(b) Finance Lease Receivable</b>  |                         |                         |
| Finance Lease Receivable (Refer Note 21)  | 3,64,825                | 3,94,479                |
|   | <b>3,64,825</b>         | <b>3,94,479</b>         |
| Finance Lease Receivable -Non current   | 3,38,153                | 3,64,826                |
| Finance Lease Receivable -current   | 26,672                  | 29,653                  |
| <b>3.3 Other non-current assets</b>   |                         |                         |
| (Unsecured and considered good , unless stated otherwise)   |                         |                         |
| Capital advances  | -                       | 3,382                   |
| Security deposits   | 1                       | 1                       |
|   | <b>1</b>                | <b>3,383</b>            |
| <b>3.4 Non-current tax assets</b>   |                         |                         |
| Advance income tax (Net of provision Rs. 5,682 (Previous year: Rs. 9,295))  | 2,800                   | 2,414                   |
|   | <b>2,800</b>            | <b>2,414</b>            |
| <b>3.5 Inventories</b>  |                         |                         |
| Fuel  | 8,609                   | 2,861                   |
| Stores and spares   | 8,065                   | 7,850                   |
| (Inventories are stated at lower of cost and net realisable value)  |                         |                         |
|   | <b>16,674</b>           | <b>10,711</b>           |

**Rosa Power Supply Company Limited**  
**Notes to the financial statements for the year ended March 31, 2023 (continued)**

**3.6 Current financial assets**

**3.6 (a) Trade receivables**

(Unsecured and considered good, unless stated otherwise)

|   | March 31, 2023 | Rs. In Lakhs<br>March 31, 2022 |
|---|----------------|--------------------------------|
| Trade Receivables (Including Rs. 20,156 lakhs (March 31, 2022: Rs. 25,042 lakhs) billed subsequent to the year end. | 49,094         | 79,961                         |

**Ageing analysis of Trade Receivables**

| Particulars  | Outstanding for following periods from due date of payment as at 31.03.2023 |                   |             |             |           |               |
|--|---|-------------------|-------------|-------------|-----------|---------------|
|  | > 6 months  | 6 months - 1 year | 1 - 2 years | 2 - 3 years | < 3 years | Total         |
| (i) Undisputed Trade receivables – considered good                                 | 48,804  | -                 | 284         | -           | 6         | 49,094        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -   | -                 | -           | -           | -         | -             |
| (iii) Undisputed Trade Receivables – credit impaired                               | -   | -                 | -           | -           | -         | -             |
| (iv) Disputed Trade Receivables considered good                                    | -   | -                 | -           | -           | -         | -             |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -   | -                 | -           | -           | -         | -             |
| (vi) Disputed Trade Receivables – credit impaired                                  | -   | -                 | -           | -           | -         | -             |
| <b>Total</b>   | <b>48,804</b>   | <b>-</b>          | <b>284</b>  | <b>-</b>    | <b>6</b>  | <b>49,094</b> |

| Particulars  | Outstanding for following periods from due date of payment as at 31.03.2022 |                   |             |             |           |               |
|--|---|-------------------|-------------|-------------|-----------|---------------|
|  | > 6 months  | 6 months - 1 year | 1 - 2 years | 2 - 3 years | < 3 years | Total         |
| (i) Undisputed Trade receivables – considered good                                 | 79,955  | -                 | -           | 6           | -         | 79,961        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -   | -                 | -           | -           | -         | -             |
| (iii) Undisputed Trade Receivables – credit impaired                               | -   | -                 | -           | -           | -         | -             |
| (iv) Disputed Trade Receivables considered good                                    | -   | -                 | -           | -           | -         | -             |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -   | -                 | -           | -           | -         | -             |
| (vi) Disputed Trade Receivables – credit impaired                                  | -   | -                 | -           | -           | -         | -             |
| <b>Total</b>   | <b>79,955</b>   | <b>-</b>          | <b>-</b>    | <b>6</b>    | <b>-</b>  | <b>79,961</b> |

**Rosa Power Supply Company Limited**
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

|  | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|--|-------------------------|--|
| <b>3.6(b) Cash and cash equivalents</b>  |                         |  |
| Balance with banks   |                         |  |
| - In current accounts  | 1,971                   | 660  |
| - Deposits with maturity of less than three months   | 35                      | 2,652                                      |
|  | <u>2,006</u>            | <u>3,312</u>                               |
| <b>3.6(c) Bank balances other than cash and cash equivalents</b>   |                         |  |
| Deposits with maturity period of more than three months but less than twelve months                            | 784                     | 1,433                                      |
|  | <u>784</u>              | <u>1,433</u>                               |
| <b>3.6(d) Loans</b>  |                         |  |
| (Unsecured and considered good, unless stated otherwise)   |                         |  |
| Inter corporate deposits to Holding Company (Refer note 9G(ii))<br>(interest free deposit repayable on demand) | 3,45,385                | 3,01,529                                   |
| Inter corporate deposits to related party (Refer note 9G(ii))<br>(interest free deposit repayable on demand)   | 40,546                  | 250  |
| Advances to employees  | 39                      | 26   |
|  | <u>3,85,970</u>         | <u>3,01,805</u>                            |
| <b>3.6(e) Other Financial Assets</b>   |                         |  |
| Interest Accrued on Fixed Deposits   | 25                      | 99   |
|  | <u>25</u>               | <u>99</u>                                  |
| <b>3.7 Other current assets</b>  |                         |  |
| (Unsecured and considered good unless stated otherwise)  |                         |  |
| Advance to vendors   | 1,268                   | 459  |
| Prepaid expenses   | 472                     | 520  |
|  | <u>1,740</u>            | <u>979</u>                                 |

### 3.8 Equity Share capital

#### Authorised

1,400,000,000 (March 31, 2022: 1,400,000,000) equity shares of Rs. 10 each

|  | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|--|-------------------------|--|
|  | 1,40,000                | 1,40,000                                   |
|  | <b>1,40,000</b>         | <b>1,40,000</b>                            |

#### Issued, subscribed and paid up capital

424,405,000 (March 31, 2022: 424,405,000 ) equity shares of Rs. 10 each fully paid up

|  |               |               |
|--|---------------|---------------|
|  | 42,441        | 42,441        |
|  | <b>42,441</b> | <b>42,441</b> |

### 3.8.1 Reconciliation of number of shares

#### Equity shares

Balance at the beginning of the year - 424,405,000 (March 31, 2022: 424,405,000 ) shares of Rs. 10 each fully paid up

|  |        |        |
|--|--------|--------|
|  | 42,441 | 42,441 |
|--|--------|--------|

Balance at the end of the year - 424,405,000 (March 31, 2022: 424,405,000) shares of Rs. 10 each fully paid up

|  |               |               |
|--|---------------|---------------|
|  | <b>42,441</b> | <b>42,441</b> |
|--|---------------|---------------|

### 3.8.2 Rights, preference and restriction attached to 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 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

|   | As at March 31, 2023 |                            | As at March 31, 2022 |                            |
|---|----------------------|----------------------------|----------------------|----------------------------|
|   | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |
| <b>Equity shares</b>  |                      |                            |                      |                            |
| Reliance Power Limited  | 29,70,83,500         | 70%                        | 29,70,83,500         | 70%                        |
| Equity shares of Rs. 10 each fully paid up held by Reliance Power Limited-Holding Company |                      |                            |                      |                            |
| Yes Bank Limited  | 12,73,21,500         | 30%                        | 12,73,21,500         | 30%                        |
| Equity shares of Rs. 10 each fully paid up  |                      |                            |                      |                            |

During the financial year 2019-20, above 127,321,500 equity shares, held as pledge for term loan facilities to the holding Company were invoked by a lender. The said Term loan has settled on March 31, 2023, However, pledge of equity shares is under process of release.

### 3.8.4 Shares held by Holding Company

|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>Equity shares</b>  |                         |                         |
| Reliance Power Limited - 297,083,500 (March 31, 2022: 297,063,500 ) shares of Rs. 10 each fully paid up   | 29,709                  | 29,709                  |
| (Out of shares held, 297,083,494 (March 31, 2022: 297,063,494) shares are held by Reliance Power Limited, the holding Company and 6 shares are jointly held by Reliance Power Limited and its nominees) |                         |                         |
|   | <b>29,709</b>           | <b>29,709</b>           |

### 3.8.5 Details of shares held by Promoters of the Company

|                        | As at March 31, 2023 |                            | As at March 31, 2022 |                            | Percentage of change during the year |
|------------------------|----------------------|----------------------------|----------------------|----------------------------|--------------------------------------|
|                        | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |                                      |
| <b>Equity shares</b>   |                      |                            |                      |                            |                                      |
| Reliance Power Limited | 29,70,83,500         | 70%                        | 29,70,83,500         | 70%                        | Nil                                  |

  

|                        | As at March 31, 2022 |                            | As at March 31, 2021 |                            | Percentage of change during the year |
|------------------------|----------------------|----------------------------|----------------------|----------------------------|--------------------------------------|
|                        | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |                                      |
| <b>Equity shares</b>   |                      |                            |                      |                            |                                      |
| Reliance Power Limited | 29,70,83,500         | 70%                        | 29,70,83,500         | 70%                        | Nil                                  |

|  | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|--|-------------------------|--|
| <b>Other Equity</b>  |                         |  |
| <b>3.9 Instruments entirely equity in nature</b>   |                         |  |
| <b>3.9.1 Preference share capital</b>  |                         |  |
| <b>Authorised</b>  |                         |  |
| 1,000,000,000 (March 31, 2022: 1,000,000,000) preference shares of Re. 1 each                      | 10,000                  | 10,000                                     |
|  | <b>10,000</b>           | <b>10,000</b>                              |
| <b>Issued, subscribed and paid up capital</b>  |                         |  |
| <b>Compulsory Convertible Redeemable Non-Cumulative Preference Shares<sup>1)</sup></b>             |                         |  |
| 4,183,000 (March 31, 2022: 4,183,000) Preference Shares of Re 1 each fully paid up                 | 42                      | 42   |
|  | <b>42</b>               | <b>42</b>                                  |
| <b>3.9.2 Reconciliation of number of shares</b>  |                         |  |
| <b>Preference shares (Refer note 3.8.3 below)</b>  |                         |  |
| Balance at the beginning of the year - 4,183,000 (March 31, 2022: 4,183,000 ) shares of Re. 1 each | 42                      | 42   |
| Balance at the end of the year - 4,183,000 (March 31, 2022: 4,183,000 ) shares of Re. 1 each       | <b>42</b>               | <b>42</b>                                  |

**3.9.3 Rights, preference and restriction attached to preference shares**

<sup>1)</sup>**7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)**

The Company has only one class of 7.5 % Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS) having par value of Re.1 per share which have been issued at a premium of Rs.999 per share.

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 be non cumulative."

**3.9.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

|   | As at March 31, 2023 |                            | As at March 31, 2022 |                            |
|---|----------------------|----------------------------|----------------------|----------------------------|
|   | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |
| <b>Preference shares (Refer note 3.9.3)</b> |                      |                            |                      |                            |
| Reliance Power Limited                      | 41,83,000            | 100%                       | 41,83,000            | 100%                       |

Preference shares of Re 1 each fully paid up held by Reliance Power Limited- Holding Company

**3.9.5 Shares held by Holding Company**

|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>Preference shares (Refer note 3.9.3)</b>   |                         |                         |
| Reliance Power Limited - 4,183,000 (March 31, 2022: 4,183,000) shares of Re. 1 each fully paid up | 42                      | 42                      |
|   | <b>42</b>               | <b>42</b>               |

**3.9.6 Details of shares held by Promoters of the Company**

|   | As at March 31, 2023 |                            | As at March 31, 2022 |                            | Percentage of change during the year |
|---|----------------------|----------------------------|----------------------|----------------------------|--------------------------------------|
|   | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |                                      |
| <b>Preference shares (Refer note 3.9.3)</b> |                      |                            |                      |                            |                                      |
| Reliance Power Limited                      | 41,83,000            | 100%                       | 41,83,000            | 100%                       | Nil                                  |
|   | As at March 31, 2022 |                            | As at March 31, 2021 |                            | Percentage of change during the year |
|   | No. of shares        | Percentage of shareholding | No. of shares        | Percentage of shareholding |                                      |
| <b>Preference shares (Refer note 3.9.3)</b> |                      |                            |                      |                            |                                      |
| Reliance Power Limited                      | 41,83,000            | 100%                       | 41,83,000            | 100%                       | Nil                                  |

**Rosa Power Supply Company Limited**

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

|   | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|---|-------------------------|--|
| <b>3.10 Reserve and Surplus</b>   |                         |  |
| <b>Balance at the end of the year</b>                                       |                         |  |
| 3.10.1 Securities premium   | 1,16,088                | 1,16,088                                   |
| 3.10.2 Foreign Currency Monetary Item translation difference account        | -                       | (939)                                      |
| 3.10.3 Retained earnings  | 4,05,721                | 3,83,096                                   |
| 3.10.4 Other Comprehensive income   | (765)                   | (202)                                      |
| <b>Total</b>  | <b>5,21,044</b>         | <b>4,98,043</b>                            |
| <b>3.10.1 Securities premium</b>  |                         |  |
| Balance at the beginning of the year  | 1,16,088                | 1,16,088                                   |
| Additions during the year   | -                       | -  |
| <b>Balance at the end of the year</b>                                       | <b>1,16,088</b>         | <b>1,16,088</b>                            |
| <b>3.10.2 Foreign Currency Monetary Item translation difference account</b> |                         |  |
| Balance at the beginning of the year  | (939)                   | (2,758)                                    |
| Addition during the year  | -                       | (469)                                      |
| Less: Amortisation during the year  | 939                     | 2,288                                      |
| <b>Balance at the end of the year</b>                                       | <b>-</b>                | <b>(939)</b>                               |
| <b>3.10.3 Retained earnings</b>   |                         |  |
| Balance at the beginning of the year  | 3,83,096                | 3,66,639                                   |
| Add: Profit / (loss) for the year   | 22,625                  | 16,457                                     |
| <b>Balance at the end of the year</b>                                       | <b>4,05,721</b>         | <b>3,83,096</b>                            |
| <b>3.10.4 Other Comprehensive income</b>                                    |                         |  |
| <b>Remeasurement of post employment benefit obligation (net)</b>            |                         |  |
| Balance at the beginning of the year  | (202)                   | (217)                                      |
| Addition/deduction during the year  | (563)                   | 15   |
| <b>Balance at the end of the year</b>                                       | <b>(765)</b>            | <b>(202)</b>                               |
|   | <b>5,21,044</b>         | <b>4,98,043</b>                            |

**Nature and purpose of other reserves:**

**a) Securities premium**

Securities premium is created to record premium received on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**b) Foreign currency monetary item translation difference account**

The Company has opted to continue the previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This reserve represents foreign exchange accumulated on long term monetary items which are for other than depreciable assets. The same is amortised fully as the loan has been fully repaid. (Refer note 2.1 (l ii)) (Refer note 2.1 (m ii))

|  | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|--|-------------------------|--|
| <b>3.11 Non-current financial liabilities</b>                          |                         |  |
| <b>3.11 Long-term borrowings</b>                                       |                         |  |
| <b>Secured</b>   |                         |  |
| Term Loans:  |                         |  |
| Rupee loans from banks   | -                       | 9,365                                      |
| Foreign currency loans from banks                                      | -                       | 3,558                                      |
|  | -                       | 12,923                                     |
| <b>Unsecured</b>   |                         |  |
| Deferred payment liabilities:  |                         |  |
| Deferred entry tax   | 10,415                  | 15,000                                     |
| Deferred value added tax   | 748                     | 978  |
|  | 11,163                  | 15,978                                     |
| <b>Debentures</b>  |                         |  |
| 5,260, Series A 12.25 % Non convertible debenture of Rs. 10 Lakhs each | 42,080                  | -  |
| 3,000, Series B 12.25 % Non convertible debenture of Rs. 10 Lakhs each | 24,000                  | -  |
|  | 66,080                  | -  |
|  | 77,243                  | 28,901                                     |

**3.11.1 Nature of security for Term Loans and Non Convertible Debentures****Non Convertible Debentures**

- Non Convertible Debentures of Rs. 82,600 lakhs (March 31, 2022 Rs. Nil) are secured by first charge on all immovable assets, movable assets and intangible asset, hypothecated property of the Company, present and future and hypothecated property of the Obligor, M/s Reliance Natural Resources Limited (RNRL) on pari passu basis. (Refer note 8)
- Non Convertible Debentures are secured by way of pledge of 100% equity shares of the Company, out of which 51% have been pledged and balance yet to be pledged in view of release of earlier pledge is under process.
- Guarantees issued by the Holding Company and RNRL in favour of the Non Convertible Debenture holders of the Company.
- Current maturities of Non Cumulative Debentures have been classified as current borrowings (Refer note 3.15(a)).

**Term Loans**

- Term loans from banks of Rs. Nil (March 31, 2022: Rs. 29,526 lakhs) is secured / to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on pari passu basis.
- The Holding Company has given financial commitments/guarantee to the lender of the Company. (Refer note 9 G(ii)).
- Current maturities of long term borrowings have been classified as other current borrowings (Refer note 3.15(a)).
- A negative lien by Reliance Power Limited (Holding Company) on 51% of its equity shares in the Company.
- The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. Nil (March 31, 2022; Rs.44 lakhs).

**3.11.2 Terms of Repayment and Interest**

- Non Convertible Debenture of Rs. 82,600 lakhs (March 31, 2022 Nil) is repayable in 7 half yearly instalments from September 30, 2023 and carry an interest rate of 12.25% per annum payable on half yearly basis.
- Rupee Term Loans outstanding as at the year end Rs. Nil (March 31, 2022: Rs.9,585 lakhs) has been obtained from Banks Phase I and Phase II of the project. The loans were repayable in 48 quarterly installments commenced from October 1, 2010 and January 1, 2012, respectively, and carry an average rate of interest 12.87% per annum payable on a monthly basis.
- Rupee term loan outstanding as at the year end Rs. Nil (March 31, 2022: Rs. 10,229 lakhs ) has been obtained from Bank towards making investments in fellow subsidiaries. The loan was repayable in 48 quarterly installments commenced from June 30, 2013 and was carrying an interest rate of 14.55 % per annum payable on a monthly basis.
- Foreign currency loan outstanding as at the year end Rs. Nil (March 31, 2022: Rs. 790 lakhs) has been obtained for Phase I of the project . The loan is repayable in 48 quarterly installments commenced from October 1, 2010 and carries an interest rate of USD LIBOR plus 460 basis points per annum, payable on a quarterly basis.
- Foreign currency loan outstanding as at the year end Rs. Nil (March 31, 2022: Rs. 8,923 lakhs) has been obtained for Phase II of the project. The loan is repayable in 48 quarterly installments commenced from January 1, 2012 and carries an interest rate of USD LIBOR plus margin ranging from 415 basis points to 475 basis points per annum, payable on a quarterly basis.
- The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. Nil (March 31, 2022; Rs. 44 lakhs).

Deferred payment Liabilities are payable in equal yearly installment of Rs. 5,702 Lakhs commencing from financial year 2022-23. (Refer Note 11)



**Rosa Power Supply Company Limited**

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

|   | <u>As at<br/>March 31, 2023</u> | <u>Rupees in lakhs<br/>As at<br/>March 31, 2022</u> |
|---|---------------------------------|---|
| <b>3.12 Other financial liability</b>                   |                                 |   |
| Payable to Customer                                     | 59,916                          | 16,774  |
|   | <u>59,916</u>                   | <u>16,774</u>                                       |
| <b>3.13 Provisions (Refer note 7)</b>                   |                                 |   |
| Provision for Employee Benefits                         |                                 |   |
| Gratuity  | 880                             | 290   |
| Leave encashment  | 599                             | 505   |
|   | <u>1,479</u>                    | <u>795</u>  |
| <b>3.14 Deferred tax liabilities (net)</b>              |                                 |   |
| Net deferred tax (asset) / liability (Refer note 12)(e) | 77,914                          | 78,697  |
|   | <u>77,914</u>                   | <u>78,697</u>                                       |
| <b>3.15 Current financial liabilities</b>               |                                 |   |
| <b>3.15(a) Current borrowings</b>                       |                                 |   |
| <b>Secured</b>  |                                 |   |
| Working Capital loan from banks                         | -                               | 63,939  |
| Current maturities of long-term borrowings              | 16,520                          | 16,651  |
| <b>Unsecured</b>  |                                 |   |
| Current maturities of deferred payment Liabilities      | 5,702                           | 9,023   |
|   | <u>22,222</u>                   | <u>89,613</u>                                       |

**3.15.a.1 Nature of security for short term borrowings**

- a) Working Capital facilities from banks is secured pari passu with term loan lenders by first mortgage/hypothecation/charge on all the Immovable and movable assets and intangible assets of the Company.
- b) A negative lien by Reliance Power Limited (Holding Company) on 51% of its equity in the Company.

**3.15.a.2 Interest**

Working Capital facilities have a tenure of twelve months from the date of sanction and are repayable on demand and carry an average rate of interest 14.53 % per annum.

Rosa Power Supply Company Limited  
Notes to the financial statements for the year ended March 31, 2023 (continued)

3.15 Current financial liabilities (continued)

3.15 (b) Trade payables

Rs. In Lakhs

|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| (i) Total outstanding dues of micro and small enterprises; and<br>(Refer note 14) | 675                     | 438                     |
| (ii) Total outstanding dues of other than (i) above                               | 3,872                   | 8,841                   |
| <b>Total</b>  | <b>4,547</b>            | <b>9,279</b>            |

Ageing analysis of Trade Payables

| Particulars                 | Outstanding as at 31.03.2023 for following periods from due date of payment |             |             |            |              |
|-----------------------------|---|-------------|-------------|------------|--------------|
|                             | < 1 year  | 1 - 2 years | 2 - 3 years | > 3 years  | Total        |
| (i) MSME                    | 675   | -           | -           | -          | 675          |
| (ii) Others                 |   | 3,521       | 116         | 235        | 3,872        |
| (iii) Disputed dues – MSME  | -   | -           | -           | -          | -            |
| (iv) Disputed dues – Others | -   | -           | -           | -          | -            |
| <b>Total</b>                | <b>4,547</b>  | <b>3521</b> | <b>116</b>  | <b>235</b> | <b>4,547</b> |

| Particulars                 | Outstanding as at 31.03.2022 for following periods from due date of payment |             |             |              |              |
|-----------------------------|---|-------------|-------------|--------------|--------------|
|                             | < 1 year  | 1 - 2 years | 2 - 3 years | > 3 years    | Total        |
| (i) MSME                    | 438   |             |             |              | 438          |
| (ii) Others                 | 7,466   | 126         | 100         | 1,149        | 8,841        |
| (iii) Disputed dues – MSME  | -   | -           | -           | -            | -            |
| (iv) Disputed dues – Others | -   | -           | -           | -            | -            |
| <b>Total</b>                | <b>7,904</b>  | <b>126</b>  | <b>100</b>  | <b>1,149</b> | <b>9,279</b> |

**Rosa Power Supply Company Limited**

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

|  | As at<br>March 31, 2023 | Rupees in lakhs<br>As at<br>March 31, 2022 |
|--|-------------------------|--|
| <b>3.15(c) Other financial liabilities</b>   |                         |  |
| Interest accrued but not due on borrowings   | -                       | 529  |
| Payable to Customer  | 15,393                  | 32,008                                     |
| Employee benefit payable   | 1,139                   | 1,139                                      |
| Retention money payable  | 734                     | 725  |
|  | <b>17,266</b>           | <b>34,401</b>                              |
| <b>3.16 Other current liabilities</b>  |                         |  |
| Statutory liabilities ( including Provident fund, tax deducted at source and other miscellaneous payables) | 167                     | 165  |
|  | <b>167</b>              | <b>165</b>                                 |
| <b>3.17 Provisions ( Refer note 7)</b>   |                         |  |
| Provision for employee benefits:   |                         |  |
| Leave encashment   | 253                     | 142  |
|  | <b>253</b>              | <b>142</b>                                 |

|   | Year ended<br>March 31, 2023 | Rupees in lakhs<br>Year ended<br>March 31, 2022 |
|---|------------------------------|---|
| <b>3.18 Revenue from operations</b>   |                              |   |
| Sale of energy  | 2,62,311                     | 2,10,857  |
| Other operating revenues:   |                              |   |
| - Finance Income  | 48,131                       | 51,927  |
|   | <b>3,10,442</b>              | <b>2,62,784</b>                                 |
| <b>3.19 Other income</b>  |                              |   |
| Interest on bank deposits   | 117                          | 158   |
| Miscellaneous income  | 619                          | 643   |
| Liabilities written back  | 959                          | -   |
|   | <b>1,695</b>                 | <b>801</b>                                      |
| <b>3.20 Employee benefit expenses</b>   |                              |   |
| Salaries, wages and other allowances  | 5,041                        | 4,784   |
| Contribution to provident and other funds (Refer note 7)                      | 248                          | 176   |
| Gratuity and leave encashment (Refer note 7)                                  | 367                          | 181   |
| Staff welfare expenses  | 280                          | 303   |
|   | <b>5,936</b>                 | <b>5,444</b>                                    |
| <b>3.21 Finance costs</b>   |                              |   |
| Interest expenses on:   |                              |   |
| - Rupee term loans  | 619                          | 7,370   |
| - Foreign currency loans  | 145                          | 1,096   |
| - Debenture   | 4,986                        | -   |
| - Working capital loans   | 4,645                        | 10,298  |
| Other finance charges   | 3,423                        | 993   |
|   | <b>13,818</b>                | <b>19,757</b>                                   |
| <b>3.22 Other expenses</b>  |                              |   |
| Stores and spares consumed  | 4,732                        | 4,803   |
| Rent expenses ( including rent to related party ( Refer note 9 (G)(i))        | 20                           | 21  |
| Advance / Receivables Written off   | 13,577                       | 12,812  |
| Expenses Charged against regularity order                                     | 38,885                       | 32,008  |
| Unbilled revenue written off  | -                            | 12,102  |
| Repairs and maintenance:  |                              |   |
| - Plant and machinery   | 6,089                        | 5,399   |
| - Building  | 129                          | 115   |
| - Others  | 43                           | 50  |
| Legal and professional charges  | 3,632                        | 3,317   |
| Travelling and conveyance   | 150                          | 131   |
| Directors sitting fees  | 5                            | 4   |
| Rates and taxes   | 28                           | 72  |
| Insurance   | 1,284                        | 1,195   |
| Loss on foreign exchange fluctuations (net)                                   | 398                          | 68  |
| Amortisation of Foreign currency monetary item translation difference account | 940                          | 2,288   |
| Expenditure towards Corporate Social Responsibility (Refer Note 22)           | 322                          | 270   |
| Miscellaneous expenses  | 956                          | 938   |
|   | <b>71,190</b>                | <b>75,593</b>                                   |

4) **Contingent liabilities:**

Claims against the Company not acknowledged as debt:

- a. Disputed income tax dues for Assessment Year 2020-21 is Rs.100 lakhs (March 31, 2022: Rs. Nil), Assessment Year 2016-17 is Rs.727 lakhs (March 31, 2022: Rs. 727 lakhs), Assessment Year 2017-18 is Rs.140 lakhs (March 31, 2022: Rs. 140 lakhs) pending before various authorities.
  - b. Demand raised by the UPPCL, the Procurer, towards excess reimbursement of income tax made by them for the period from financial year 2009-10 to 2013-14 of Rs. 36,396 lakhs (March 31, 2022 Rs. 36,396 lakhs) and interest there on till March 31, 2023 of Rs. 44,738 lakhs (March 31, 2022 Rs. 40,917 lakhs). Also demand raised by UPPCL of Rs. 4,564 lakhs (March 31, 2022 Rs. 4,564 lakhs) towards interest on excess income tax reimbursement received and refunded by the Company related to financial year 2014-15 to 2018-19.
  - c. The Company issued Corporate Guarantee to financial institution for loan facility availed by RNRL of Rs. 30,000 Lakhs.
- 5) The Company, has written off of receivable of Rs. 32,500 lakhs towards certain revenue related obligations and written off certain receivable of Rs. 19,962 lakhs during the year ended March 31, 2023.

6) **Details of remuneration to auditors:**

| Particulars         | Rupees in lakhs              |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| As auditors:        |                              |                              |
| For statutory audit | 55                           | 55                           |
| Certification fees  | 8                            | -                            |

7) **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 | Rupees in lakhs |                |
|--------------------------------|-----------------|----------------|
|                                | March 31, 2023  | March 31, 2022 |
| Current*                       | 253             | 142            |
| Non-current                    | 599             | 505            |

\* The Company does not have an unconditional right to defer the settlements.

(b) **Defined contribution plans**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employer's Contribution to Employees' Deposit Linked Insurance
  - Employer's Contribution to 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 Trustees of the Reliance Life Insurance Company Limited. 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 Statement of Profit and Loss for the year:

| Particulars  | Rupees in lakhs              |                              |
|--|------------------------------|------------------------------|
|  | Year ended March<br>31, 2023 | Year ended March<br>31, 2022 |
| Contribution to provident fund                                 | 184                          | 117                          |
| Contribution to employees' superannuation fund                 | 8                            | 8                            |
| Employer's contribution to Employees' Deposit Linked Insurance | 2                            | 4                            |
| Employer's contribution to Employees' Pension Scheme 1995      | 44                           | 42                           |

(c) Post-employment obligations

**Gratuity:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(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                                  | 7.50%          | 7.50%          |
| Rate of return on plan assets  | 7.30%          | 6.55%          |
| Expected average remaining working lives of employees in number of years | 4.57           | 4.95           |

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) Gratuity Plan

| Particulars   | Rupees in lakhs             |                           |            |
|---|-----------------------------|---------------------------|------------|
|   | Present value of obligation | Fair value of plan assets | Net amount |
| <b>As at April 01, 2022</b>   | <b>897</b>                  | <b>(607)</b>              | <b>290</b> |
| Current service cost  | 59                          | -                         | 59         |
| Interest on net defined benefit liability / assets                              | 53                          | (35)                      | 18         |
| <b>Total amount recognised in Statement of Profit and Loss</b>                  | <b>112</b>                  | <b>(35)</b>               | <b>77</b>  |
| <b>Remeasurements</b>   |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense / (income) | -                           | 17                        | 17         |
| (Gain) / loss from change in financial assumptions                              | (35)                        | -                         | (35)       |
| Experience (gains) / losses   | 581                         | -                         | 581        |
| (Gain) / loss from change in demographic assumptions                            | -                           | -                         | -          |
| <b>Total amount recognised in Other Comprehensive Income</b>                    | <b>546</b>                  | <b>17</b>                 | <b>563</b> |
| Employer contributions  | -                           | (50)                      | (50)       |
| Benefit payments  | (57)                        | 57                        | -          |
| <b>As at March 31, 2023</b>   | <b>1,498</b>                | <b>(618)</b>              | <b>880</b> |

| Particulars   | Rupees in lakhs             |                           |            |
|---|-----------------------------|---------------------------|------------|
|   | Present value of obligation | Fair value of plan assets | Net amount |
| <b>As at April 01, 2021</b>   | <b>757</b>                  | <b>(504)</b>              | <b>253</b> |
| Current service cost  | 82                          | -                         | 82         |
| Interest on net defined benefit liability / assets                              | 44                          | (29)                      | 15         |
| <b>Total amount recognised in Statement of Profit and Loss</b>                  | <b>126</b>                  | <b>(29)</b>               | <b>97</b>  |
| <b>Remeasurements</b>   |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense / (income) | -                           | (11)                      | (11)       |
| (Gain) / loss from change in financial assumptions                              | (19)                        | -                         | (19)       |
| Experience (gains) / losses   | 45                          | -                         | 45         |
| (Gain) / loss from change in demographic assumptions                            | -                           | -                         | -          |
| <b>Total amount recognised in Other Comprehensive Income</b>                    | <b>26</b>                   | <b>(11)</b>               | <b>15</b>  |
| Employer contributions  | -                           | (75)                      | (75)       |
| Benefit payments  | (12)                        | 12                        | -          |
| <b>As at March 31, 2022</b>   | <b>897</b>                  | <b>607</b>                | <b>290</b> |

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

| Particulars                         | Rupees in lakhs |                |
|-------------------------------------|-----------------|----------------|
|                                     | March 31, 2023  | March 31, 2022 |
| Present value of funded obligations | 1,498           | 897            |
| Fair value of plan assets           | (618)           | (607)          |
| <b>Deficit of funded plan</b>       | <b>880</b>      | <b>290</b>     |
| Unfunded plans                      |                 |                |
| <b>Deficit of gratuity plan</b>     | <b>880</b>      | <b>290</b>     |
| <b>Current portion</b>              | <b>-</b>        | <b>-</b>       |
| <b>Non-current portion</b>          | <b>880</b>      | <b>290</b>     |

(iii) Sensitivity analysis

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

| Particulars                             | Change in assumptions |                | Impact on closing balance of provision for defined benefit obligation |                |                         |                |
|---|-----------------------|----------------|---|----------------|-------------------------|----------------|
|   |                       |                | 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%          | -2.72%  | -3.01%         | 2.87%                   | 3.18%          |
| Rate of increase in compensation levels | 0.50%                 | 0.50%          | 2.85%   | 3.14%          | -2.73%                  | -3.00%         |

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. While 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.

(iv) The above defined benefit gratuity plan was administrated 100% by Life insurance Corporation of India (LIC) as at March 31, 2023 and as at March 31, 2022.

(v) Defined benefit liability and employer contribution:

The Company will pay based on demand raised by LIC towards gratuity liability on time-to-time basis to eliminate the deficit in defined benefit plan.

The weighted average duration of the defined benefit obligation is 5.59 years (2021-22 – 6.19 years).

(vi) The actuarial valuation of gratuity liability does not include liability of seconded employees, as the gratuity will be paid by the Holding Company as per the terms of Secondment.

(vii) The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Maturity Profile                        | Rs. In Lakhs |
|---|--------------|
| Expected benefits for year 1            | 293          |
| Expected benefits for year 2            | 184          |
| Expected benefits for year 3            | 229          |
| Expected benefits for year 4            | 161          |
| Expected benefits for year 5            | 162          |
| Expected benefits for year 6            | 143          |
| Expected benefits for year 7            | 140          |
| Expected benefits for year 8            | 128          |
| Expected benefits for year 9            | 118          |
| Expected benefits for year 10 and above | 898          |

Rosa Power Supply Company Limited  
Notes to the financial statements for the year ended March 31, 2023 (continued)

8) Assets pledged as security:

| Particulars   | Note No.         | Rupees in lakhs |                |
|---|------------------|-----------------|----------------|
|   |                  | March 31, 2023  | March 31, 2022 |
| <b>Non-current</b>                                      |                  |                 |                |
| <b>First charge</b>                                     |                  |                 |                |
| <b>Financial assets</b>                                 |                  |                 |                |
| Investments   | 3.2(a)           | 1               | 1              |
| Finance lease receivables                               | 3.2(b)           | 338,153         | 364,826        |
| <b>Non-financial assets</b>                             |                  |                 |                |
| Property, plant and equipment                           | 3.1              | 614             | 716            |
| Other non-current assets                                | 3.3              | 2,801           | 5,797          |
| <b>Total Non-current assets pledged as security (A)</b> |                  | <b>341,569</b>  | <b>371,340</b> |
| <b>Current</b>  |                  |                 |                |
| <b>First charge</b>                                     |                  |                 |                |
| <b>Financial assets</b>                                 |                  |                 |                |
| Trade receivables                                       | 3.5(a)           | 49,094          | 79,961         |
| Cash and bank balances                                  | 3.5(b)<br>3.5(c) | 2,790           | 4,746          |
| Loans   | 3.5(d)           | 385,970         | 301,805        |
| Finance lease receivables                               | 3.2(c)           | 26,672          | 29,653         |
| Other Financial assets                                  | 3.5(e)           | 25              | 99             |
| <b>Non-financial assets</b>                             |                  |                 |                |
| Inventories   | 3.4              | 16,674          | 10,711         |
| Other current assets                                    | 3.6              | 1,740           | 979            |
| <b>Total Current assets pledged as security (B)</b>     |                  | <b>482,965</b>  | <b>427,954</b> |
| <b>Total assets pledged as security (A+B)</b>           |                  | <b>824,534</b>  | <b>799,294</b> |



**9) Related party transactions:**

As per Indian Accounting standard 24 (Ind AS-24) "Related Party Transactions" as prescribed by Companies (Indian Accounting Standards) Rules, 2015 the Company's related parties and transactions are disclosed below.

**A. Parties where control exists:**

**Holding Company:**

Reliance Power Limited (R Power)

**B. Fellow Subsidiaries**

Vidarbha Industries Power Limited (VIPL)<sup>1</sup>

Siyom Hydro Power Projects Limited (SHPPL)

Kalai Power Private Limited (KPPL)

Rajasthan Sun Technique Energy Power Limited (RSTEPL)

Reliance Natural Resources Limited (RNRL)

**C. Joint venture**

Reliance Geothermal Power Private Limited (RGTPPL)<sup>1</sup>

<sup>1</sup>The Company also has a significant influence on the party as it holds an equity stake.

**D. Parties having significant influence on the Company directly or indirectly:**

**(a) Individual**

Shri Anil D Ambani (up to March 25, 2022)

**(b) Company**

Reliance Infrastructure Limited (Rinfra) (w.e.f July 15, 2021)

**E. Enterprises over which Companies/ individual described in clause (D) above have control / significant influences**

Reliance General Insurance Company Limited. (RGICL) (up to November 29, 2021)

Reliance Infrastructure Limited (Rinfra) (up to July 14, 2021)

**F. Key Management Personnel**

Shri Hirday Singh Tomar (w.e.f January 27, 2023) – Whole time Director

Shri Karunesh Kumar Mishra – Chief Financial Officer

Smt Snigdha Khandelwal (w.e.f January 27, 2023) – Company Secretary

Shri Amit Jangid (up to June 07, 2022) – Company Secretary

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

|     |  | Rupees in lakhs |                |
|-----|--|-----------------|----------------|
|     | Particulars  | March 31, 2023  | March 31, 2022 |
| (i) | Transactions during the year :                     |                 |                |
|     | Remuneration to key management personnel           |                 |                |
|     | Shri Hirday Singh Tomar                            |                 |                |
|     | Short term employee benefits                       | 12              | -              |
|     | Post employment defined benefits                   | 1               | -              |
|     | Shri Karunesh Kumar Mishra                         |                 |                |
|     | Short term employee benefits                       | 26              | 24             |
|     | Post employment defined benefits                   | 1               | 1              |
|     | Smt Snigdha Khandelwal                             |                 |                |
|     | Short term employee benefits                       | 3               | -              |
|     | Insurance Premium                                  |                 |                |
|     | RGICL  | -               | 1,005          |
|     | Rent Expenses                                      |                 |                |
|     | R Infra  | -               | 66             |
|     | Management fees                                    |                 |                |
|     | R Power  | 2,400           | 2,400          |
|     | Reimbursement of expenses paid by                  |                 |                |
|     | R Power  | 64              | 392            |
|     | Inter corporate deposit given to                   |                 |                |
|     | R Power  | 53,811          | -              |
|     | RNRL   | 40,536          | -              |
|     | Inter corporate deposits assignment to the Company |                 |                |
|     | R Power  | 9,955           | -              |
|     | Written off of Inter corporate deposit             |                 |                |
|     | VIPL   | 240             | -              |
|     | Written off of other receivable                    |                 |                |
|     | VIPL   | 12              | -              |
|     | Corporate Guarantee issued by the Company          |                 |                |
|     | RNRL   | 30,000          | -              |
|     | Corporate Guarantee received by the Company        |                 |                |
|     | RNRL   | 82,600          | -              |

|      |   | Rupees in lakhs |                |
|------|---|-----------------|----------------|
|      | Particulars   | March 31, 2023  | March 31, 2022 |
| (ii) | <b>Closing Balance:</b>                                 |                 |                |
|      | <b>Investment in equity shares of fellow subsidiary</b> |                 |                |
|      | RGTPPL  | 1               | 1              |
|      | <b>Other receivables</b>                                |                 |                |
|      | VIPL  | -               | 12             |
|      | RGTPPL  | 1               | 1              |
|      | <b>Inter corporate deposits</b>                         |                 |                |
|      | R Power   | 345,385         | 301,529        |
|      | VIPL  | -               | 240            |
|      | RNRL  | 40,536          | -              |
|      | RGTPPL  | 10              | 10             |
|      | <b>Equity share capital (excluding premium)</b>         |                 |                |
|      | R Power   | 29,708          | 29,708         |
|      | <b>Preference share capital (excluding premium)</b>     |                 |                |
|      | R Power   | 42              | 42             |
|      | <b>Other Current Liabilities</b>                        |                 |                |
|      | R Infra   | 414             | 414            |
|      | RGICL   | -               | 1              |
|      | <b>Corporate Guarantee issued by the Company</b>        |                 |                |
|      | RNRL  | 30,000          | -              |
|      | <b>Corporate Guarantee received by the Company</b>      |                 |                |
|      | RNRL  | 82,600          | -              |

**H. Notes:**

- i. The above disclosures do not include transactions with public utility service providers, viz. electricity and telecommunication in the normal course of business.

**10) Earnings per share:**

| Particulars   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| <b>Profit available to equity shareholders</b>  |                              |                              |
| Profit / (loss) after tax (Rupees in lakhs)   | 22,625                       | 16,457                       |
| Less: Dividend on preference shares (Rupees in lakhs)<br>(Including Dividend distribution tax)        | -                            | -                            |
| Adjusted net profit for the year (A) (Rupees in lakhs)  | 22,625                       | 16,457                       |
| Weighted average number of equity shares (B)  | 424,405,000                  | 424,405,000                  |
| Add: Adjustment on account of Compulsorily Convertible<br>Redeemable Non-Cumulative Preference Shares | 418,300                      | 418,300                      |
| Weighted average number of shares (C)   | 424,823,300                  | 424,823,300                  |
| Earnings per share – Basic (Rupees) (A/C)   | 5.33                         | 3.88                         |
| Earnings per share – Diluted (Rupees) (A/C)   | 5.32                         | 3.87                         |
| Nominal value of an equity share (Rupees)   | 10                           | 10                           |

**11) Deferred payment liabilities:**

The Company is liable to pay entry tax on inter-state purchase of certain goods under "Uttar Pradesh Tax on Entry of Goods in Local Area Act, 2007". As per Uttar Pradesh Power Policy 2003 read with Notification 1770 dated July 05, 2004 issued by the Government of Uttar Pradesh, the Company is eligible for grant of a moratorium period of nine years from the date of commencement of operation for payment of entry tax on each phase of the project.

The Company is liable to pay value added tax on purchase of goods under "Uttar Pradesh Value Added Tax Act, 2008". As per Uttar Pradesh Power Policy 2003 read with Notification 1772 dated July 05, 2004 issued by Government of Uttar Pradesh, the Company is eligible for grant of a moratorium period of nine years from the date of commencement of operation, for payment of Value added tax.

**Rosa Power Supply Company Limited**  
**Notes to the financial statements for the year ended March 31, 2023 (continued)**

The authority vide letter dated September 15, 2020 asked to pay the balance amount in equal annual instalments commencing from the financial year 2021-22 to 2025-26. Accordingly, Government Grant (Current liabilities) has been transferred to deferred payment liability under borrowings.

**12) Income taxes:**

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

**(a) Income tax recognised in Statement of Profit and Loss**

| Particulars                                | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| <b>Income tax expense</b>                  |                 |                |
| Current tax (net off tax for earlier year) | 4,624           | 2,341          |
| Deferred tax Charge/(Credit)               | (783)           | (5,387)        |
| <b>Total Income tax expense</b>            | <b>3,841</b>    | <b>(3,046)</b> |

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

| Particulars  | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| Profit before tax  | 26,466          | 13,411         |
| <b>Tax at the Indian corporate tax rate of 34.944% (previous year 34.944%)</b>             | <b>9,247</b>    | <b>4,686</b>   |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income:    |                 |                |
| (Income) /expenses inadmissible under income tax act (net)                                 | 281             | 259            |
| Effect of finance lease reduction from lease receivable                                    | 3,606           | (327)          |
| Effect of tax on account of available tax holiday under section 80IA of the Income tax Act | (13,917)        | (10,005)       |
| Minimum alternate tax on which no deferred tax has been recognised                         | 4,624           | 2,341          |
| <b>Income tax expense/(Income)</b>   | <b>3,841</b>    | <b>(3,046)</b> |

**(c) Tax assets (net off provision)**

| Particulars  | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| Advance income tax (net off provision) - Opening balance | 2,414           | 103            |
| Taxes paid (net of refund)                               | 5,010           | 4,652          |
| Current Tax payable for the year                         | (4,624)         | (2,341)        |
| Advance income tax (net off provision) - Closing balance | <b>2,800</b>    | <b>2,414</b>   |

**(d) Unutilised MAT credit**

| Particulars  | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| Unutilised MAT credit for which no deferred tax assets has been recognised | 107,208         | 102,584        |

The Company does not expect income tax liability under normal provision in the foreseeable future; hence the Company has not recognised deferred tax assets on MAT credit.

**e) Deferred tax assets / (liabilities)**

| At March 31, 2021                                    | Rupees in lakhs |                 |
|--|-----------------|-----------------|
|  |                 | (84,084)        |
| (Charged) / credited to Statement of Profit and Loss |                 | 5,387           |
| <b>At March 31, 2022</b>                             |                 | <b>(78,697)</b> |
| (Charged) / credited to Statement of Profit and Loss |                 | 783             |
| <b>At March 31, 2023</b>                             |                 | <b>(77,914)</b> |

(f) Deferred Tax balance comprises temporary differences attributable to:

| Particulars                                      | Rupees in lakhs |                  |
|--|-----------------|------------------|
|  | March 31, 2023  | March 31, 2022   |
| <b>Deferred tax liability on account of:</b>     |                 |                  |
| Carrying amount of Property, Plant and Equipment | (99,466)        | (105,416)        |
| Impact of effective interest rate on borrowings  | -               | (28)             |
| <b>Total deferred tax liability (a)</b>          | <b>(99,466)</b> | <b>(105,444)</b> |
| <b>Deferred tax assets on account of:</b>        |                 |                  |
| Finance Lease arrangement                        | 20,947          | 26,420           |
| Provisions                                       | 605             | 327              |
| <b>Total deferred tax assets (b)</b>             | <b>21,552</b>   | <b>26,747</b>    |
| <b>Net deferred tax liability (a)-(b)</b>        | <b>(77,914)</b> | <b>(78,697)</b>  |

13) Exchange differences on foreign currency monetary items:

As explained above in note 2.1 (i) with respect to exchange rate difference arising on long term foreign currency monetary items, the Company has availed the option available in Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Company has recognised exchange loss/ (gain) of Rs. Nil (March 31, 2022: Loss of Rs. (469) lakhs) to the foreign currency monetary item translation difference account (FCMITDA). Since the Company has paid long term foreign currency loan fully during the year FCMITDA balance amortised fully.

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

Disclosure of amount 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.

| Particulars   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| Principal amount due to suppliers as at the year end  | 675                          | 438                          |
| Interest accrued, due to suppliers on the above amount, and unpaid as at the year end   | -                            | -                            |
| Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED   | -                            | -                            |
| Interest paid to suppliers under MSMED Act (other than Section 16)  | -                            | -                            |
| Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year   | -                            | -                            |
| Amount of Interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act  | -                            | -                            |
| Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers   | -                            | -                            |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED | -                            | -                            |

- 15) The Company received an order dated February 25, 2022 in respect of true-up petition filed by the Company for the Multi Year Tariff (MYT) period 2014-15 to 2018-19 from Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC) and accordingly the Company has provided for expenses of Rs. 44,820 lakhs in statement of Profit and Loss Account in the previous financial year. The Company filed review petition before UPERC on May 24, 2022 for review of few aspects of the above order. The Hon'ble Commission vide Order dated January 11, 2023, revised the refund amount from Rs. 32,008 Lakhs to Rs. 24,036 Lakhs. Since the Company had already accounted and refunded Rs. 32,008 Lakhs to UPPCL, the differential amount of Rs. 7,972 Lakhs is recognised as revenue in statement of Profit and Loss in the current financial year.

16) Fair value measurements:

(a) Financial instruments by category

| Particulars   | Rupees in lakhs |                |
|---|-----------------|----------------|
|   | March 31, 2023  | March 31, 2022 |
|   | Amortised cost  | Amortised cost |
| <b>Financial assets</b>                                       |                 |                |
| Investments   | 1               | 1              |
| Loans   | 385,970         | 301,805        |
| Finance lease receivable                                      | 364,825         | 394,479        |
| Trade receivables   | 49,094          | 79,961         |
| Cash and cash equivalents                                     | 2,006           | 3,312          |
| Other bank balances   | 784             | 1,433          |
| Other financial assets  | 25              | 99             |
| <b>Total financial assets</b>                                 | <b>802,705</b>  | <b>781,090</b> |
| <b>Financial liabilities</b>                                  |                 |                |
| Borrowings  | 77,243          | 28,901         |
| Trade payables  | 4,547           | 9,279          |
| Current maturities of long-term debt and working capital loan | 22,222          | 89,613         |
| Other financial liabilities                                   | 77,182          | 51,175         |
| <b>Total financial liabilities</b>                            | <b>181,194</b>  | <b>178,968</b> |

(b) Fair value hierarchy

This section explains the judgments 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

| Particulars                        | Rupees in lakhs |         |         |         |
|------------------------------------|-----------------|---------|---------|---------|
|                                    | Level 1         | Level 2 | Level 3 | Total   |
| <b>Financial assets</b>            |                 |         |         |         |
| Investments                        | -               | -       | 1       | 1       |
| Finance lease receivable           | -               | 392,227 | -       | 392,227 |
| <b>Total financial assets</b>      | -               | 392,227 | 1       | 392,228 |
| <b>Financial Liabilities</b>       |                 |         |         |         |
| Borrowings                         | -               | 99,465  | -       | 99,465  |
| <b>Total financial liabilities</b> | -               | 99,465  | -       | 99,465  |

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

| Particulars                        | Rupees in lakhs |         |         |         |
|------------------------------------|-----------------|---------|---------|---------|
|                                    | Level 1         | Level 2 | Level 3 | Total   |
| <b>Financial assets</b>            |                 |         |         |         |
| Investments                        | -               | -       | 1       | 1       |
| Finance lease receivable           | -               | 404,815 | -       | 404,815 |
| <b>Total financial assets</b>      | -               | 404,815 | 1       | 404,816 |
| <b>Financial Liabilities</b>       |                 |         |         |         |
| Borrowings                         | -               | 53,606  | -       | 53,606  |
| <b>Total financial liabilities</b> | -               | 53,606  | -       | 53,606  |

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

| Rupees in lakhs                    |                 |                |                 |                |
|------------------------------------|-----------------|----------------|-----------------|----------------|
| Particulars                        | March 31, 2023  |                | March 31, 2022  |                |
|                                    | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Financial assets</b>            |                 |                |                 |                |
| Finance lease receivable           | 364,825         | 392,227        | 394,479         | 404,815        |
| <b>Total financial assets</b>      | <b>364,825</b>  | <b>392,227</b> | <b>394,479</b>  | <b>404,815</b> |
|                                    |                 |                |                 |                |
| <b>Financial Liabilities</b>       |                 |                |                 |                |
| Borrowings                         | 99,465          | 99,465         | 53,606          | 53,606         |
| Payable to customer                | 59,917          | 59,917         | 16,774          | 16,774         |
| <b>Total financial liabilities</b> | <b>159,382</b>  | <b>159,382</b> | <b>70,380</b>   | <b>70,380</b>  |

(d) Valuation technique used to determine fair values

The fair values for finance lease receivables were calculated based on cash flows discounted using weighted average cost of capital.

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 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). Further, the Company has no long-term Borrowings with fixed-rate of interest.

**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 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. This is the case for long term borrowings which is included in this level.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are 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.

**17) Financial risk management:**

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

| Risk                           | Exposure arising from  | Measurement                 | Management  |
|--------------------------------|--|-----------------------------|---|
| Credit Risk                    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Aging analysis              | Diversification of bank deposits, credit limits and letters of credit |
| 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 rupees (Rs)          | Sensitivity analysis        | Un hedged   |
| Market risk – interest rate    | Long-term borrowings at variable rates   | Sensitivity analysis        | Un hedged   |

(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 with trade customer towards sale of electricity as per the terms of PPA read with the regulation issued by UPERC including outstanding receivables.

**Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk arises from accounts receivable balances on sale of electricity and finance lease receivable are based on tariff rate approved by electricity regulator and inter-corporate deposits/loans are given to the holding company. The credit risk is very low as the sale of electricity based on terms of PPA which has been approved by the regulator and the inter-corporate deposits are within the same group.

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level. The Company's policy to manage this risk is to invest in debt securities that have a good credit rating.

(b) Liquidity risk

(i) 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.

In respect of its existing operations, the Company funds its activities primarily through long-term loans secured against each power plant and long terms loans and advances. In addition, each of the operating plants has working capital loans available to it which are renewable annually, together with certain intra-group loans. The Company's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows with customer and by considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(ii) Maturities of financial liabilities

The amounts disclosed 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 and 5 years | More than 5 years | Total          |
| Interest bearing borrowings*       | 27,208           | 103,361               | -                 | 130,569        |
| Trade payables                     | 4,547            | -                     | -                 | 4,547          |
| Retention money payable            | 734              | -                     | -                 | 734            |
| Others                             | 16,532           | 59,917                | -                 | 76,449         |
| <b>Total financial liabilities</b> | <b>49,021</b>    | <b>163,278</b>        | <b>-</b>          | <b>212,299</b> |

| Rupees in lakhs                    |                  |                       |                   |                |
|------------------------------------|------------------|-----------------------|-------------------|----------------|
| March 31, 2022                     | Less than 1 year | Between 1 and 5 years | More than 5 years | Total          |
| Interest bearing borrowings*       | 89,341           | 30,286                | -                 | 119,627        |
| Trade payables                     | 9,279            | -                     | -                 | 9,279          |
| Retention money payable            | 725              | -                     | -                 | 725            |
| Others                             | 33,147           | 16,774                | -                 | 49,921         |
| <b>Total financial liabilities</b> | <b>132,492</b>   | <b>47,060</b>         | <b>-</b>          | <b>179,552</b> |

\* 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. Further it has long term monetary liabilities which are in US dollar other than its functional currency.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees, are as follows

| Particulars  | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| <b>Financial liabilities</b>                       |                 |                |
| Borrowings including interest accrued              | -               | 9,722          |
| Creditors / Retention (USD 13,783 and EURO 6,130)  | 17              | 118            |
| <b>Net foreign currency exposure (liabilities)</b> | <b>17</b>       | <b>9,840</b>   |

**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 and the impact on other components of equity arises from long term monetary foreign currency items for which the Company has opted to accumulate foreign currency translation difference in equity.

| Particulars   | Rupees in lakhs             |                |                                      |                |
|---|-----------------------------|----------------|--------------------------------------|----------------|
|   | Impact on profit before tax |                | Impact on other components of equity |                |
|   | March 31, 2023              | March 31, 2022 | March 31, 2023                       | March 31, 2022 |
| <b>USD sensitivity</b>                                    |                             |                |                                      |                |
| INR/USD-Increase by 6% on closing rate on reporting date* | -                           | (1)            | -                                    | (590)          |
| INR/USD-Decrease by 6% on closing rate on reporting date* | -                           | 1              | -                                    | 590            |
| * Holding all other variables constant                    |                             |                |                                      |                |

The above impact has been assessed taking into consideration the accounting policies adopted by the Company for the accounting for exchange differences (Refer note 2.1(i)).

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

**(a) 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:

| Particulars               | Rupees in lakhs |                |
|---------------------------|-----------------|----------------|
|                           | March 31, 2023  | March 31, 2022 |
| Variable rate borrowings* | -               | 10,229         |
| <b>Total borrowings</b>   | <b>-</b>        | <b>10,229</b>  |

\*The above borrowings do not include project loans of Rs Nil (March 31, 2022: Rs. 91,787 lakhs) as interest on these loans are pass-thru, hence there is no interest rate risk involved.

**(b) Interest Sensitivity**

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

| Interest sensitivity  | Rupees in lakhs             |                |
|---|-----------------------------|----------------|
|   | Impact on profit before tax |                |
|   | March 31, 2023              | March 31, 2022 |
| Interest cost – increase by 5% on existing Interest cost* # | -                           | (67)           |
| Interest cost – decrease by 5% on existing Interest cost*   | -                           | 67             |
| * Holding all other variables constant                      |                             |                |

# The above interest cost sensitivity does not include interest on project loans as interest on these loans are pass-thru, hence there is no interest rate risk involved. Sensitivity of project loans on 5% increase, decrease will be Rs. Nil (March 31, 2022 Rs. 220 lakhs)

18) 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 and debt on a periodic basis. Equity comprises all components of equity excluding other reserves and including the fair value impact and debt includes term loan and short term loans. The following table summarizes the capital of the Company (Refer note 26 for Ratio):

| Particulars                | Rupees in lakhs |                |
|----------------------------|-----------------|----------------|
|                            | March 31, 2023  | March 31, 2022 |
| Equity (excluding FCMITDA) | 563,521         | 541,465        |
| Debt                       | 99,465          | 101,936        |
| <b>Total</b>               | <b>662,986</b>  | <b>643,401</b> |

- (b) Final dividends on equity shares for the year ended March 31, 2023 is Rs. Nil (March 31, 2022: Rs. Nil).  
Dividend and participative dividend on preference shares is Rs. Nil (March 31, 2022: Rs. Nil).

19) 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.

Information about major customers

Revenue for the year ended March 31, 2023 and March 31, 2022 were from customer located in India. Customer includes government controlled public electricity distribution entities. Revenue to specific customer exceeding 10% of total revenue for the years ended March 31, 2023 and March 31, 2022 were as follows: (Refer note 2 (m) and 2 (n) for further details).

| Customer Name                           | Rupees in lakhs    |         |                |         |
|---|--------------------|---------|----------------|---------|
|   | For the year ended |         |                |         |
|   | March 31, 2023     |         | March 31, 2022 |         |
|   | Revenue            | Percent | Revenue        | Percent |
| Uttar Pradesh Power Corporation Limited | 310,442            | 100%    | 262,784        | 100%    |

20) Cost of fuel consumed (including coal, heavy furnace oil and light diesel oil):

| Particulars                          | Rupees in lakhs           |                           |
|--------------------------------------|---------------------------|---------------------------|
|                                      | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Balance at the beginning of the year | 2,861                     | 6,384                     |
| Add: Purchases during the year       | 200,359                   | 145,769                   |
| Less: Balance at the end of the year | 8,609                     | 2,861                     |
| <b>Consumed during the year</b>      | <b>194,611</b>            | <b>149,292</b>            |

21) Finance Lease Receivables - Company as a lessor:

| Particulars                           | Rupees in lakhs |                |
|---------------------------------------|-----------------|----------------|
|                                       | March 31, 2023  | March 31, 2022 |
| Current finance lease receivables     | 26,672          | 29,653         |
| Non-current finance lease receivables | 338,153         | 364,826        |
| <b>Total</b>                          | <b>364,825</b>  | <b>394,479</b> |

**Minimum lease payments**

| Particulars                                    | Rupees in lakhs |                |
|--|-----------------|----------------|
|  | March 31, 2023  | March 31, 2022 |
| Not later than one year                        | 62,202          | 77,784         |
| Between one year and five year                 | 196,021         | 213,930        |
| Later than five year                           | 361,421         | 405,714        |
| <b>Total</b>                                   | <b>619,644</b>  | <b>697,428</b> |
| Less: Unearned finance income                  | 509,642         | 557,772        |
| <b>Present value of Minimum lease payments</b> | <b>110,002</b>  | <b>139,656</b> |
| Less: Expected cash outflows                   | -               | -              |
| Add: Unguaranteed residual value               | 254,823         | 254,823        |
| <b>Net Investments in lease</b>                | <b>364,825</b>  | <b>394,479</b> |

**Present value of minimum lease payments**

| Particulars                    | Rupees in lakhs |                |
|--------------------------------|-----------------|----------------|
|                                | March 31, 2023  | March 31, 2022 |
| Not later than one year        | 26,672          | 29,653         |
| Between one year and five year | 30,371          | 43,572         |
| Later than five year           | 52,959          | 66,431         |
| <b>Total</b>                   | <b>110,002</b>  | <b>139,656</b> |

The finance lease receivables, accounted for as finance lease in accordance with Ind AS 116 – “Leases”, relate to the 25-year power purchase agreement under which RPSCL sells all of its electricity output of its coal based generation capacity at Rosa village in Shahjahanpur, Uttar Pradesh in two Phases of 600 MW each (Both the stages comprise two units of 300 MW each and employ subcritical Pulverized Coal Combustion (PCC) technology) to its off taker, Uttar Pradesh Power Corporation Limited (UPPCL).

The effective interest rate implicit in the finance lease was approximately 13% for both 2023 and 2022.

**Company as a lessee**

The Company lease assets primarily consists of office premises which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease.

Lease rentals recognized in the Statement of Profit and Loss is amounting to Rs. 20 lakhs (March 31, 2022 – Rs. 21 lakhs)

**22) Corporate Social Responsibility**

As per the section 135 (6) of the Companies Act, 2013, the Company is required to spend Rs. 469 lakhs (March 31, 2022: Rs. 548) being 2% of the average net profit during the three immediately preceding financial years, towards corporate social responsibility, calculated in the manner as stated in the Act. Against the said required amount, the Company has spent Rs. 322 lakhs (March 31, 2022: Rs.270 lakhs) for purpose other than acquisition/construction of asset during the financial year. Details as below:

| Rupees in Lakhs  |     |
|--|-----|
| CSR obligation (2% of Average profit of last three years)  | 469 |
| Less: Actual spent during FY 2022-23   | 322 |
| Less: Surplus spent of FY 2021-22  | 7   |
| Net deficit / unspent amount will be kept in unspent CSR account by April 30, 2023 to be spent on ongoing rural transformation and education projects undertaken by the company. | 140 |

23) Assets under lease

| Particulars            | Rupees in lakhs      |                           |                            |                      |
|------------------------|----------------------|---------------------------|----------------------------|----------------------|
|                        | As at March 31, 2022 | Gross Block (At Cost)     |                            | As at March 31, 2023 |
|                        |                      | Additions during the year | Deductions during the year |                      |
| Freehold land          | 1,018                | -                         | -                          | 1,018                |
| Leasehold land         | 2,271                | -                         | -                          | 2,271                |
| Buildings              | 32,970               | -                         | -                          | 32,970               |
| Railway sidings        | 22,153               | -                         | -                          | 22,153               |
| Plant and machinery    | 656,784              | -                         | 93                         | 656,691              |
| Furniture and fixtures | 102                  | -                         | -                          | 102                  |
| Motor vehicle          | 33                   | -                         | 5                          | 28                   |
| Office equipments      | 180                  | -                         | -                          | 180                  |
| Computers              | 394                  | -                         | -                          | 394                  |
| <b>Total</b>           | <b>715,905</b>       | <b>-</b>                  | <b>98</b>                  | <b>715,807</b>       |

Note: The above value does not include exchange difference of Rs. Nil (March 31, 2022: Rs. (469) lakhs) for the year.

24) Disclosure pursuant to para 44 A to 44 E of Ind AS 7- Statement of cash flows:

| Particulars   | Rupees in lakhs           |                           |
|---|---------------------------|---------------------------|
|   | Year ended March 31, 2023 | Year ended March 31, 2022 |
| <b>Long term Borrowings</b>                         |                           |                           |
| Opening Balance                                     |                           |                           |
| - Non-Current                                       | 28,901                    | 56,907                    |
| - Current   | 25,674                    | 64,345                    |
| <b>Changes in Fair Value</b>                        |                           |                           |
| - Impact of Effective Rate of Interest              | -                         | 44                        |
| - Unrealised foreign currency gain/ loss            | -                         | (469)                     |
| Borrowed during the year                            | 82,600                    | -                         |
| Repaid During the year                              | (37,710)                  | (66,252)                  |
| <b>Closing Balance</b>                              | <b>99,465</b>             | <b>54,575</b>             |
| <b>Short term Borrowings</b>                        |                           |                           |
| Opening Balance                                     | 63,939                    | 71,807                    |
| Availed during the year                             | -                         | -                         |
| Repaid during the year                              | (63,939)                  | (7,868)                   |
| <b>Closing Balance</b>                              | <b>-</b>                  | <b>63,939</b>             |
| <b>Interest Expenses</b>                            |                           |                           |
| Opening Balance                                     |                           |                           |
| Interest accrued but not due on borrowings          | 529                       | 274                       |
| Interest Charge as per Statement of Profit and Loss | 13,818                    | 19,757                    |
| <b>Changes in Fair Value</b>                        |                           |                           |
| - Impact of effective Rate of Interest              | -                         | (44)                      |
| - Interest paid to Lenders                          | (14,347)                  | (20,516)                  |
| <b>Closing Balance</b>                              | <b>-</b>                  | <b>529</b>                |

- 25) During the previous year, considering the True-up order dated February 25, 2022 for the Multi Year Tariff (MYT) period 2014-15 to 2018-19 the Company has reversed the provisional revenue recognised during the last financial year of Rs. 6,402 lakhs towards recovery of tariff for the Financial Year 2019-20 and 2020-21 related to Additional Capital expenditure (Add Cap) already approved by UPERC vide Order dated February 4, 2020 and Rs.5,700 lakhs towards recovery of tariff for the financial year 2019-2020 and 2020-21 related to Un-discharged liabilities (UDL) which are already discharged.

26) Ratios

| Sr. | Particulars                      | March 31, 2023 | March 31, 2022 | % Change |
|-----|----------------------------------|----------------|----------------|----------|
| A   | Current ratio*                   | 10.86          | 3.20           | 239%     |
| B   | Debt Equity ratio                | 0.18           | 0.22           | (18%)    |
| C   | Debt Service Coverage ratio      | 0.71           | 0.74           | (3%)     |
| D   | Return on Equity**               | 4.01           | 3.04           | 32%      |
| E   | Inventory turnover ratio         | 22.67          | 21.17          | 7%       |
| F   | Trade Receivables turnover ratio | 4.81           | 4.70           | 2%       |
| G   | Trade Payables turnover ratio*** | 44.90          | 35.89          | 25%      |
| H   | Net Capital turnover ratio       | 41.90          | 35.69          | 17%      |
| I   | Net Profit ratio                 | 7.29           | 6.26           | 16%      |
| J   | Return on capital employed       | 5.44           | 4.51           | 21%      |

\* Current Ratio improved mainly due to payment of current liabilities during the year.

\*\* Return on equity increases due to increase in revenue and decrease in finance cost.

\*\*\* Trade payable Turnover ratio improved due to reduce in average payables for frequent payments to creditors.

| Sr. | Particulars   | March 31, 2023 | March 31, 2022 |
|-----|---|----------------|----------------|
| 1   | Current assets  | 482,965        | 427,953        |
| 2   | Current liabilities   | 44,455         | 133,600        |
| 3   | Total Debt  | 99,465         | 117,016        |
| 4   | Equity excluding Revaluation Reserve                          | 563,527        | 540,526        |
| 5   | Earnings before Interest and Tax and exceptional items (EBIT) | 40,283         | 33,169         |
| 6   | Interest on Long Term and Short-Term Debt for the year        | 13,818         | 19,757         |
| 7   | Principal Repayment of Long-Term Debt for the year            | 37,711         | 29,511         |
| 8   | Net profit after tax  | 22,625         | 16,457         |
| 9   | Earnings available for debt service                           | 36,558         | 36,302         |
| 10  | Shareholders' fund  | 563,527        | 540,526        |
| 11  | Inventory   | 16,674         | 10,711         |
| 12  | Average Inventory   | 13,692         | 12,415         |
| 13  | Average Trade Receivables                                     | 64,527         | 55,905         |
| 14  | Average Trade Payables  | 6,914          | 7,321          |
| 15  | Turnover (Revenue from operation)                             | 310,442        | 262,784        |
| 16  | Capital employed  | 740,906        | 736,239        |
| 17  | Equity  | 563,527        | 540,526        |
| 18  | Debt  | 99,465         | 117,016        |
| 19  | Deferred tax liability  | 77,914         | 78,697         |
| 20  | Working Capital   | 438,510        | 294,353        |

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 available for debt service / (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 after tax/ Shareholder's fund
- Inventory turnover ratio = Turnover / Average inventory
- Trade Receivables turnover ratio = Turnover / Average Receivables
- Trade Payables turnover ratio = Net Credit Purchase / Average Payables
- Net Capital turnover ratio = Turnover / Working capital
- Net Profit ratio = Net Profit after tax/ Turnover
- Return on capital employed = EBIT / Capital employed

27) The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961.

28) As per Section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

29) During the year the Company is not declared willful defaulter by any bank or financial institution or other lender.

- 30) (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 whatsoever 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.
- 31) The figures for the previous year are re-casted / re-grouped, wherever necessary.

**Rosa Power Supply Company Limited**

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

As per our attached Report of even date

**For Pathak H.D. & Associates LLP**

Chartered Accountants

Firm Registration No. 107783W/W100593

**For and on behalf of the Board of Directors**

**Jigar T.Shah**

Partner

Membership No. 161851

**Manoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: April 28, 2023

**Chhaya Virani**

Director

DIN 06953556

**Kartunesh Mishra**

Chief Financial Officer

**Snigdha Khandelwal**

Company Secretary

Membership No. A58322

Place: Mumbai

Date: April 28, 2023