

INDEPENDENT AUDITORS' REPORT

To the Members of RELIANCE COAL RESOURCES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying financial statements of **RELIANCE COAL RESOURCES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Shridhar & Associates
Chartered Accountants

Key Audit Matters

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

Description of Key Audit Matter

Sr No	The key audit matter	How the matter was addressed in our audit
1	<p><u>Inter corporate deposits to subsidiary (Refer note 6)</u></p> <p>Other Income consists of Interest income on Inter-corporate deposits given to subsidiary Reliance Power Netherlands BV (Refer Note 6) Rs 479.10 crores on which interest booked of Rs 16.92 crores (last year Rs 23.88 crores).</p> <p>Based on the nature of the transactions and amount involved it is key audit matter.</p>	<p>The term sheet signed between the two cos provides for Interest at 5% PA to be charged on ICD. Exchange loss is accounted as loss on foreign exchange Rs. 9,5674,000 based on Arms lengths of international lending.</p>
2	<p>Finance cost constitutes revised Interest rate of 15% on Inter corporate deposits taken from holding co Reliance Power Ltd Rs. 54.62 crores (last year Rs 54.37 crores)</p>	<p>As per management, various banks and financial institution also charge the same amount of interest rate to Reliance Power Limited, therefore, the rate of interest to Reliance Coal Resources has also been revised and incorporated in the Term Sheet.</p>
3	<p>Non-Deduction of TDS on Interest booked on Inter Corporate Deposit</p>	<p>TDS is not accounted as Form 26 A will be taken for non-deduction of TDS on interest payable to Reliance power.</p>
4	<p>Impairment of Investments in Reliance Power Netherlands (Refer note no. 6)</p> <p>The company has invested in a subsidiary Reliance Power Netherlands BV shares 240486 face value Euro 100 equivalent INR 168.43 Crores.</p> <p>The said company has incurred loss and its net worth has decreased from USD26,003,049 to USD 9302768 on account of loss incurred.</p> <p>The said subsidiary company has given advance including accumulated interest which as on 31st March 2021 is amounting to USD 59,588,395.</p>	<p>Based on the discussion with management and financials of that company we have concluded that no impairment is required.</p> <p>The subsidiary has won an award against the loan and interest due in the Singapore court in August 2018 for USD 56,00,000.</p> <p>The Subsidiary Company has an asset in Indonesia and other advance which will full cover the investment and loan given to subsidiary.</p>

Our opinion is not modified in this matter.

Other Information (or another title if appropriate, such as “Information Other than the Financial Statements and Auditors’ Report Thereon”)

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

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

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

Management's Responsibility for the Financial Statements

6. The Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.
11. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

Shridhar & Associates
Chartered Accountants

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For SHRIDHAR & ASSOCIATES
Chartered Accountants
Firm's Registration No 134427W

Hemant Phatak
Partner
(Membership No. 160832)
Place: Mumbai,
Date: 30th April 2021
UDIN: 21160832AAAANB6440

Annexure "A" to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of RELIANCE COAL RESOURCES PRIVATE LIMITED on the Ind AS financial statements as of and for the year ended March 31, 2021

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not have immovable property. Therefore the provision of clause 3 (i) (c) of the order is not applicable.
- (ii) The Company does not have any inventory. Therefore the provision of clause 3 (ii) of the order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act.
- (iv) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) According to the information and explanations given to us, provisions relating to maintenance of cost records as prescribed under sub section (1) of section 148 of the act, are not applicable to the company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, goods and service tax, and is regular in depositing undisputed statutory dues, including provident fund, income tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax and cess as at March 31, 2021 which were outstanding for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are not any dues of income tax, as at March 31, 2021 and which have been deposited on account of a dispute.

Shridhar & Associates
Chartered Accountants

- (viii) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders except for the following instances of defaults in repayment of principal and interest amount. The Company did not have any loans or borrowings from government during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, in respect of whom we are unable to comment on any potential implications for the reasons described therein, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid managerial remuneration during the current year and therefore, the provisions clause (ix) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For SHRIDHAR & ASSOCIATES
Chartered Accountants
Firm's Registration No 134427W

Hemant Phatak
Partner
(Membership No. 160832)
Place: Mumbai,
Date: 30th April 2021
UDIN: 21160832AAAANB6440

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph of the Independent Auditors' Report of even date to the members of **RELIANCE COAL RESOURCES PRIVATE LIMITED** on the standalone financial statements for the year ended March 31, 2021

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

1. We have audited the internal financial controls with reference to financial statements of **RELIANCE COAL RESOURCES PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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, 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.

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

Meaning of Internal Financial controls with Reference to Financial Statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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 financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SHRIDHAR & ASSOCIATES
Chartered Accountants
Firm's Registration No 134427W

Hemant Phatak
Partner
(Membership No. 160832)
Place: Mumbai,
Date: 30th April 2021
UDIN: 21160832AAAANB6440

Reliance Coal Resources Private Limited
Balance Sheet as at March 31, 2021

Particulars	Note	Rupees in '000	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	8	8
Financial assets			
Investments	3.2(a)	1,684,296	1,684,296
Other financial assets	3.2(b)	200	200
Other non-current assets	3.3	-	6
Total non-current assets		1,684,504	1,684,510
Current assets			
Financial assets			
Cash and cash equivalents	3.4(a)	60	2,454
Loans	3.4(b)	4,791,025	4,618,727
Total current assets		4,791,085	4,621,181
Total Assets		6,475,589	6,305,691
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.5	20,993	20,993
Other equity	3.6	819,000	1,292,490
Total equity		839,993	1,313,483
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	3.7(a)	3,738,369	3,641,314
Other financial liabilities	3.7(b)	1,897,227	1,327,110
Other current liabilities	3.8	-	23,784
Total current liabilities		5,635,596	4,992,208
Total Equity & Liabilities		6,475,589	6,305,691
Significant accounting policies	2		
Notes to financial statements	3-19		

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

Reliance Coal Resources Private Limited

As per our attached report of even date

For Shridhar and Associates
Chartered Accountants
Firm Registration No: 0134427W

For and on behalf of the Board of Directors

Hemant Phatak
Partner
Membership No. 160832

Mangj Pongde
Director
(DIN:07728913)

Ajit Verma
Director
(DIN: 07422834)

Place: Mumbai
Date: April 29, 2021

Place: Mumbai
Date: April 29, 2021

Reliance Coal Resources Private Limited
Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note	Rupees in '000	
		Year ended March 31, 2021	Year ended March 31, 2020
Other Income	3.9	169,173	554,965
Total Income		169,173	554,965
Expenses			
Employee benefits expense	3.10	-	470
Finance costs	3.11	546,516	543,972
Other expenses	3.12	96,147	847
Total expenses		642,663	545,289
Profit/ (Loss) before exceptional items and tax		(473,490)	9,676
Exceptional Items			
Profit/ (Loss) before tax		(473,490)	9,676
Income tax expense			
Excess Income tax of earlier years		-	5,476
Profit/ (Loss) for the year (A)		(473,490)	4,200
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans (net)		-	470
Other Comprehensive Income for the year (B)		-	470
Total Comprehensive Income for the year (A+B)		(473,490)	4,670
Earnings per equity share: (Face value of Rs. 10 each)		-225.54	2.00
Basic and Diluted (Rupees)			

Significant accounting policies 2
Notes to financial statements 3-19
The accompanying notes are an integral part of these financial statements.

Reliance Coal Resources Private Limited

As per our attached report of even date

For Shridhar and Associates
Chartered Accountants
Firm Registration No: 0134427W

For and on behalf of the Board of Directors

Hemant Phatak
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Director
(DIN:07728913)

Ajit Verma
Director
(DIN: 07422834)

Place: Mumbai
Date: April 29, 2021

Place: Mumbai
Date: April 29, 2021

Reliance Coal Resources Private Limited
Cash Flow Statement for the Year Ended March 31, 2021

	Year Ended March 31, 2021	Rupees in '000 Year ended March 31, 2020
(A) Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(473,490)	9,676
Adjusted for:		
Interest income	(169,173)	(238,838)
Foreign Exchange (Gain)/Loss	95,674	(316,127)
Interest and finance charges	546,516	543,972
Operating Loss before working capital changes	(473)	(1,317)
Adjustments for:		
Increase / (decrease) in other current financial liabilities	(201)	5,648
Increase / (decrease) in other current liabilities	332	448
(Increase) / decrease in other non-current financial assets	6	(6)
	(336)	4,774
Taxes (paid)/ refund received (net)	0	(5,476)
Net Cash flow generated from Operating Activities	(336)	(702)
(B) Cash flow from Investing activities		
Inter corporate deposit given to subsidiary	(98,789)	(51,561)
Net cash generated from Investing Activities	(98,789)	(51,561)
(C) Cash flow from Financing Activities		
Inter Corporate Deposit received/(Paid) (net)	97,056	54,824
Interest and finance charges paid	(325)	(267)
Net Cash flow generated from Financing Activities	96,731	54,557
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(2,394)	2,294
Cash and Cash equivalents at the beginning of the year :		
Bank Balance-Current Account	2,454	161
Cash and Cash equivalents at the end of the year :		
Bank Balance-Current Account	60	2,454

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

Reliance Coal Resources Private Limited

As per our attached report of even date

For Shridhar and Associates
Chartered Accountants
Firm Registration No: 0134427W

For and on behalf of the Board of Directors

Hemant Phatak
Partner
Membership No. 160832

Manoj Pongde
Director
(DIN:07728913)

Ajit Verma
Director
(DIN: 07422834)

Place: Mumbai
Date: April 29, 2021

Place: Mumbai
Date: April 29, 2021

Reliance Coal Resources Private Limited
Statement of changes in equity for the year ended March 31, 2021

A. Equity Share Capital (Refer note 3.4)	Rupees in '000
Balance as April 01, 2019	20,993
Changes in share capital	-
Balance as at March 31, 2020	20,993
Changes in share capital	-
Balance as at March 31, 2021	20,993

	Note	Reserves and Surplus			Total
		Securities premium	Foreign currency monetary item translation difference account	Retained Earnings	
Balance as at April 1, 2019		2,068,442	-	(780,622)	1,287,820
Profit/(Loss) for the year		-	-	4,200	4,200
Remeasurements of net defined benefit plans (net)		-	-	470	470
Total Comprehensive Income for the year		-	-	4,670	4,670
Balance as at March 31, 2020		2,068,442	-	(775,952)	1,292,490
Profit/(Loss) for the year		-	-	(473,490)	(473,490)
Remeasurements of net defined benefit plans (net)		-	-	-	-
Total Comprehensive Income for the year		-	-	(473,490)	(473,490)
Balance as at March 31, 2021		2,068,442	-	(1,249,442)	819,000

Reliance Coal Resources Private Limited

As per our attached report of even date

For Shridhar and Associates
Chartered Accountants
Firm Registration No: 0134427W

For and on behalf of the Board of Directors

Hemant Phatak
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(DIN:07728913)

Ajit Verma
Director
(DIN: 07422834)

Place: Mumbai
Date: April 29, 2021

Place: Mumbai
Date: April 29, 2021

1) General information

Reliance Coal Resources Private Limited ("the Company") is a subsidiary of Reliance Power Limited and has been incorporated under provisions of the Companies Act, 1956. The Company was incorporated with objects to be in the business of trading, manufacturing, producing, mining etc or dealing in fuels required in Industries, household, power plant etc including coal, CBM, lignite, petroleum and to plan, establish, promote and provide infrastructure and to act as consultants/agents for attaining the above objects. Registered address of the company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710.

These financial statements were authorised for issue by the board of directors on April 29, 2021.

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

2.1 Basis of preparation, measurement and significant accounting policies

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

(a) Basis of preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the 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.

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

(b) 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;
- Equity instruments in subsidiaries at fair value.

Fair value measurement

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

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

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

Current vis-à-vis non-current classification

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

(c) Foreign currency translation:

i. Functional and presentation currency

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

ii. Transactions and balances

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) 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.

(d) Property, plant and equipment

All items of property, plant and equipment are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

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

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

(e) Financial instruments:

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

Investments and other financial assets

i. Classification

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

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

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.

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

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

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Company subsequently measures all equity investments (including investment in subsidiaries) at cost.

iii. Impairment of financial assets:

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

iv. Derecognition of financial assets

A financial asset is derecognised only when:

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

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

v. Income recognition:

Interest income

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

Revenue from Contracts with Customers and Other Income

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 recognized. Ind AS -115 replace Ind AS-18 " Revenue" and Ind AS -11 " Construction Contracts". The Company recognises revenue when it transfers control over a product or service to a

customer. The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

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

(f) 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 other payables, loans and borrowings.

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.

Other payable: These amounts represents 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.

Where guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are expensed out in the Statement of profit and loss. On transition to Ind AS, the Company has recognised fair value changes as part of the retained earnings.

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 the 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 or loss.

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

(g) 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.

(h) Trade Receivable:

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

(i) Cash and cash equivalents

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

(j) 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.

(k) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns; value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement

i. Service income

Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.

(l) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. 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 and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(m) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(n) 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.

(o) 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.

2.2 Critical accounting estimates and judgements

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

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

Tax Losses

The Company has unused business loss of Rs 9,05,309 Thousand ,which according to the management will expired and may not be used to offset taxable business profit, if any, incurred by the company Refer note no. 9 for amount of such temporary difference on which deferred tax assets are not recognized.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company financial statements may differ from that estimated as at the date of approval of these financial statements.

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2021 (continued)

3.1 Property, Plant and Equipment

Rupees in '000

Particulars	Office equipments
Gross carrying amount	
Balance as at April 01, 2019	8
Additions during the year	-
Carrying amount as at March 31, 2020	8
Additions during the year	-
Carrying amount as at March 31, 2021	8
Accumulated depreciation	
For the year	-
Balance as at March 31, 2020	-
For the year	-
Balance as at March 31, 2021	-
Net carrying amount	
As at March 31, 2020	8
As at March 31, 2021	8

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2021 (continued)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Rupees in '000	Rupees in '000
3.2(a) Non-Current Investments (Non-trade)		
Equity Instruments (unquoted, fully paid-up)		
In Subsidiaries-at cost		
Reliance Power Netherlands BV	1,684,296	1,684,296
(Number of shares: 2,40,486 (March 2020: 2,40,486, face value of Euro 100 each) (Refer Note No.6)		
	<u>1,684,296</u>	<u>1,684,296</u>
3.2(b) Other financial assets		
(Unsecured and considered good)		
Security deposits	200	200
	<u>200</u>	<u>200</u>
3.3 Other non-current assets		
(Unsecured and considered good)		
Balance with statutory authorities (includes VAT recoverable)	-	6
	<u>-</u>	<u>6</u>
3.4(a) Cash and cash equivalents		
Balance with banks:		
in current account	60	2,454
	<u>60</u>	<u>2,454</u>
3.4(b) Current Loans		
(Unsecured and considered good)		
Inter corporate deposits to subsidiary (Refer note 6)	4,791,025	4,618,727
	<u>4,791,025</u>	<u>4,618,727</u>

	Rupees in '000	
	As at March 31, 2021	As at March 31, 2020
3.5 Share capital		
Authorised share capital		
16,000,000 (March 2020 : 16,000,000) equity shares of Rs.10 each	160,000	160,000
	160,000	160,000
Issued, subscribed and fully paid up capital		
2,099,335 (March 2020 : 20,99,335) equity shares of Rs.10 each fully paid up	20,993	20,993
	20,993	20,993
3.5.1 Reconciliation of number of equity shares		
Equity shares		
Balance at the beginning of the year	20,993	20,993
Balance at the end of the year - 20,99,335 (March 2020 : 20,99,335) shares of Rs. 10 each	20,993	20,993

3.5.2 Terms/ rights attached to equity shares**a) 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares				
Reliance Power Limited (Equity Shares of Rs 10 each fully paid up)	2,099,335	100%	2,099,335	100%
	2,099,335	100%	2,099,335	100%

3.5.4 Shares held by Holding Company / Subsidiaries of Holding Company

	As at March 31, 2021	As at March 31, 2020
Equity Shares		
Reliance Power Limited - 20,99,335 (March 2020 : 20,99,335) shares of Rs 10 each fully paid up	2,099,335	2,099,335
(Of the above 20,99,334 (March 2020 : 20,99,334) shares are held by Reliance Power Limited, holding company and 1 (March 2020: 1) share is jointly held by Reliance Power and its nominee)		
	2,099,335	2,099,335

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2021 (continued)

Particulars	As at March 31, 2021	As at March 31, 2020
3.6 Other equity		
Balance at the end of the year		
3.6.1 Securities premium	2,068,442	2,068,442
3.6.2 Other Comprehensive income (OCI)	782	782
3.6.3 Surplus in the Statement of Profit and Loss	(1,250,224)	(776,734)
Total other equity	<u>819,000</u>	<u>1,292,490</u>
3.6.1 Securities premium		
Balance at the beginning of the year	2,068,442	2,068,442
Balance at the end of the year	<u>2,068,442</u>	<u>2,068,442</u>
3.6.2 Other Comprehensive income (OCI)		
Balance at the beginning of the year	782	312
Remeasurements of net defined benefit plans	-	470
Balance at the end of the year	<u>782</u>	<u>782</u>
3.6.3 Retained Earnings		
Balance at the beginning of the year	(776,734)	(780,934)
Profit for the year	(473,490)	4,200
Balance at the end of the year	<u>(1,250,224)</u>	<u>(776,734)</u>
	<u>819,000</u>	<u>1,292,490</u>
Nature and purpose of other reserves:		
a. Securities premium		
Securities premium account is created with premium 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 amortized over the balance period of such long term monetary assets.		
3.7(a) Current borrowings		
Secured - at amortised cost		
Unsecured		
Inter corporate deposit received from Holding Company	3,641,100	3,641,314
Inter-corporate deposits from fellow subsidiaries	97,269	-
	<u>3,738,369</u>	<u>3,641,314</u>
3.7(b) Other current financial liabilities		
Interest accrued and due on borrowings	1,881,912	1,311,600
Dues to Holding Company (Refer note 6)	15,204	15,198
Other payables	111	312
	<u>1,897,227</u>	<u>1,327,110</u>
3.8 Other current liabilities		
Other payables (Statutory dues)	@	23,784
	-	<u>23,784</u>

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

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2021 (continued)

Particulars	Year ended March 31, 2021 Rupees in '000	Year ended March 31, 2020 Rupees in '000
3.9 Other income		
Interest income:		
Inter-corporate deposits	169,173	238,838
Gain on foreign exchange fluctuations (Net)	-	316,127
	169,173	554,965
3.1 Employee benefits expense		
Gratuity and leave encashment	-	470
Employee benefits expense	-	470
3.11 Finance cost		
Interest on:		
Inter corporate deposits	546,192	543,708
Other finance charges	324	264
	546,516	543,972
3.12 Generation, administration and other expenses		
Legal and professional charges	135	176
Travelling and conveyance	-	616
Rates and taxes	-	45
Loss on foreign exchange fluctuations	95,674	-
Provision for doubtful debts / amount written-off	338	-
Miscellaneous expenses	-	10
	96,147	847

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

4) Details of remuneration to auditors:

Particulars	Rupees in '000	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) As auditors		
For statutory audit*	10	10
For Certification	13	14
	23	24

* Statutory Audit Fee is exclusive of GST.

5) Employee benefit obligations

During the previous year, the Company has transferred its employees and charged off the related expenses of Rs. 470 thousand to statement of profit and loss. The classification of various employee benefits were as under:

a) Leave obligations

Leave encashment is payable to eligible employees who have earned leave, during the employment and/or on separation as per the Company's policy.

b) Defined contribution plans

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

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

c) Post employment obligation

Gratuity

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

(i) Significant estimates: actuarial assumptions

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

Particulars	March 31, 2021	March 31, 2020
Discount rate (per annum)	-	7.10%
Rate of increase in compensation levels	-	7.50%

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

(ii) Balance sheet amount (Gratuity Plan)

				Rupees in '000
Particulars	Present value of obligation	Fair value of plan assets	Net amount	
April 01, 2020	3,347	7,097	(3,750)	
Benefit payments	(3,347)	(7,097)	(3,750)	
March 31, 2021	-	-	-	
Particulars	Present value of obligation	Fair value of plan assets	Net amount	
	2,829	7,159	(4,330)	
April 01, 2019				
Current service cost	116	-	116	
Interest cost	184	492	(308)	
Total amount recognised in profit and loss	300	492	(192)	
Remeasurements				
Return on plan assets, excluding amount included in interest expense/(income)	-	(333)	333	
(Gain) / loss from change in demographic assumptions	-	-	-	
(Gain) / loss from change in financial assumptions	105	-	105	
Experience (gains) / losses	334	-	334	
Total amount recognised in other comprehensive income	439	(333)	772	
Employer contributions	-	-	-	
Benefit payments	(221)	(221)	-	
March 31, 2020	3,347	7,097	(3,750)	

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

Particulars	Rupees in '000	
	March 31, 2021	March 31, 2020
Present value of funded obligations	(3,750)	3,347
Fair value of plan assets	-	7,097
Deficit / (Surplus) of funded gratuity plan	-	(3,750)
Benefit payment	3,750	-
Deficit / (Surplus) of gratuity plan	-	(3,750)

Sensitivity analysis:

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

Particulars	Change in assumptions		Increase in assumptions		decrease in assumptions	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	-	0.50%	-	-1.97%	-	2.04%
Rate of increase in compensation levels	-	0.50%	-	2.01%	-	-1.96%

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

(iii) The above defined benefit gratuity plan administrated 100% by Reliance Nippon Life insurance company Limited as at March 31, 2020.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

(iv) **Defined benefit liability and employer contributions:**

The company has agreed that it will aim to eliminate the deficit in defined benefit plan in subsequent years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 8.33% of the basic salaries.

The weighted average duration of the defined benefit obligation was 4.01 years for the year ended March 31, 2020.

(v) The Company has seconded certain employees to the subsidiaries. As per the terms of the secondment, liability towards Salaries, Provident fund and leave encashment will be provided and paid by the respective subsidiaries and gratuity will be paid / provided by the Company. Accordingly, provision for gratuity as disclosed includes cost of employees seconded as well.

(vi) The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

6) **Related party transactions:**

A. **Parties where control exists:**

(i) **Holding Company**

Reliance Power Limited (R Power)

(ii) **Subsidiaries**

Reliance Power Netherlands BV (RPNBV)

B. **Other related parties with whom transactions have taken place during the year:**

Reliance Cleangen Limited (Fellow Subsidiary)

C. **Investing parties/promoters having significant influence on the Company directly or indirectly :**

(i) **Individual**

Shri Anil D. Ambani (Chairman)

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

Particulars	Rupees in '000	
	2020-21	2019-20
(i) Transaction during the year:		
Reimbursement of expenses		
R Power	6	5,502
RCGL	-	11
Inter-corporate deposit received		
R Power	100	54,858
RCGL	97,258	-
Inter-corporate deposit refunded		
R Power	313	34
Loan Given		
RPNBV	98,789	51,571
Interest earned on loan		
RPNBV	1,69,173	2,38,838
Interest expenses on Inter-corporate deposits		
R Power	5,46,192	5,43,708

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		Rupees in '000
	2020-21	2019-20
(ii) Closing balance at the end of the year		
Equity share capital (excluding premium)		
R Power	20,993	20,993
Inter-corporate deposits received from		
R Power	3641,100	36,41,314
RCGL	97,269	11
Investment in subsidiaries (Equity)		
RPNBV	16,84,296	16,84,296
Loan given including interest accrued		
RPNBV	47,91,025	46,18,727

The above disclosure does not include transactions with public utility services providers, viz. electricity, and telecommunication in the normal course of business.

7) Earning in foreign currency

Particulars	Rupees in '000	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income	1,69,173	2,38,838

8) Earnings per share:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit available to equity shareholders		
Profit after tax (A) (Rupees in '000)	(4,73,490)	4,200
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	20,99,335	20,99,335
Basic and diluted earnings per share (A / B) (Rs.)	(225.54)	2.00
Nominal value of an equity share (Rs.)	10	10

9) Income taxes

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

	Rupees in '000	
Particulars	March 31, 2021	March 31, 2020
Profit/ (Loss) before tax	(4,73,490)	9,676
Tax at the Corporate Indian tax rate of 26% (2019-20: 26%)	-	2,516
Tax losses for which no deferred income tax was recognised	-	-
Income tax expense	-	-

b) Tax losses and Tax credits

	Rupees in '000	
Particulars	March 31, 2021	March 31, 2020
Unused losses for which no deferred tax asset has been recognised	(8,73,635)	(9,05,309)
Total	(8,73,635)	(9,05,309)

There is no timing difference other than the unused losses as stated above, between taxable income and accounting income.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

10) Fair value measurements

(a) Financial instruments by category

	March 31, 2021	Rupees in '000 March 31, 2020
	Amortised Cost	Amortised Cost
Financial assets		
Inter corporate deposits to subsidiary	47,91,025	46,18,727
Security deposits	200	200
Cash and cash equivalents	60	2,454
Total financial assets	47,91,285	46,21,381
Financial liability		
Borrowings	37,38,370	36,41,314
Interest accrued but not due	18,81,911	13,11,600
Other Payables	15,315	15,510
Total financial liability	56,35,596	49,68,424

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

(b) Fair value hierarchy

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

	Level 1	Level 2	Level 3	Rupees in '000 Total
Financial Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2021				
Financial assets				
Security deposits	-	-	200	200
Total financial assets	-	-	200	200
Financial Liabilities				
Borrowings	-	37,38,370	-	37,38,370
Total financial liabilities	-	37,38,370	-	37,38,370
Financial Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2020				
Financial assets				
Security deposits	-	-	200	200
Total financial assets	-	-	200	200
Financial Liabilities				
Borrowings	-	36,41,314	-	36,41,314
Total financial liabilities	-	36,41,314	-	36,41,314

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

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

Particulars	March 31, 2021		March 31, 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Security deposits	200	200	200	200
Total financial assets	200	200	200	200
Financial Liabilities				
Borrowings	37,38,370	37,38,370	36,41,314	36,41,314
Total financial liabilities	37,38,570	37,38,570	35,86,490	35,86,490

(d) Valuation technique used to determine fair values

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

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

Note

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

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

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

There were no transfers between any levels during the year.

11) Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(a) Credit risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents and financial assets carried at amortised cost

Credit risk management

Credit risk is managed at company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Maturities of financial liabilities

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

Rupees in '000

March 31, 2021	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<u>Financial liabilities</u>				
Dues to holding company	37,38,370	-	-	37,38,370
Interest accrued and due	18,81,912	-	-	18,81,912
Others	15,315	-	-	15,315
Total financial liabilities	56,35,597	-	-	56,35,597

March 31, 2020	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<u>Financial liabilities</u>				
Dues to holding company	36,41,314	-	-	36,41,314
Interest accrued and due	13,11,600	-	-	13,11,600
Others	15,510	-	-	9,862
Total financial liabilities	49,68,424	-	-	49,68,424

12) Capital Management

(a) Risk Management

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

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

	March 31, 2021	March 31, 2020
Equity	8,39,993	13,13,483
Debt	37,38,370	36,41,314
Total	45,78,363	49,54,797

13) Segment reporting

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.

14) Disclosure of Loans and Advances to Subsidiaries pursuant to Schedule V Regulation 34(3) of the Companies Act, 2013:

Rupees in '000

Name	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subsidiary :				
Reliance Power Netherlands B.V.	47,91,025	46,18,727	47,91,025	46,18,737

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

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

16) The Company, based on the objects given in the Memorandum of Association, its operation through subsidiaries and other considerations, has been legally advised that the Company is not covered under the provisions of Non-Banking Financial Company as defined in Reserve Bank of India Act, 1934 and accordingly is not required to be registered under section 45 IA of the said Act. Further, The Management has been legally advised that the Company would qualify as an Infrastructure Company within the meaning of clause (a) of sub-section 11 of section 186 of the Companies Act, 2013.

17) Changes in Liabilities arising from Financing activities:

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

Particulars	Rupees in '000	
	Year Ended March 31,2021	Year Ended March 31,2020
Short term Borrowings		
Opening Balance	36,41,314	35,86,490
Availed during the year/period	97,369	54,858
Repaid During the year/period	313	34
Closing Balance	37,38,370	36,41,314
Interest Expenses		
Opening Balance	13,11,600	7,67,895
Interest Charge as per Statement Profit & Loss / Intangible assets under development	5,46,516	5,43,972
Reversal of TDS on interest	24,121	-
Interest paid	(325)	(267)
Closing Balance	18,81,912	13,11,600

18) COVID-19 has impacted businesses globally and in India. The Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India and hence, the Company has ensured the availability of its power plant to generate power and honour commitments made under various power purchase agreements. The demand for electricity nearly bounced back to normal levels in keeping with the resumption of economic activities since easing of lockdown in various States during the 1st wave of COVID-19 pandemic. However, now the country is faced with the 2nd wave of COVID-19 pandemic and there exists uncertainty over its impact on future business performances, arising from among other things, any action to contain its spread or mitigate its impact whether government-mandated or

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2021 (Continued)

elected by the Company and its evolving impact on distribution utilities in terms of demand for electricity; consumption mix; resultant average tariff realization; bill collections from consumers; and support from respective State Governments and banks & financial institutions, including those focused on power sector financing. However, in view of power generation being considered as essential activity as also given the experience of sustaining its operation successfully during the pandemic year, the Company is confident of another year of successful operations with the support from its power procurers and other stakeholders.

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

Reliance Coal Resources Private Limited

As per our attached report of even date

For Shridhar and Associates
Chartered Accountants
Firm Registration No: 0134427W

For and on behalf of the Board of Directors

Hemant Phatak
Partner
Membership No. 160832

Mahoj Pongde
Director
(DIN:07728913)

Ajit Vefma
Director
(DIN: 07422834)

Place: Mumbai
Date: April 29, 2021

Place: Mumbai
Date: April 29, 2021