

## **M.S. Sethi & Associates**

Chartered Accountants

**Manoj Sethi**

B.Com., F.C.A.

191-R, Cavel Cross Lane No. 9

2nd Floor, Dr. Viegas Street

Kalbadevi, Mumbai - 400 002

Tel. 9324517501

### **FIT FOR CONSOLIDATION**

We have audited the accompanying financial statements of **Reliance Power Netherlands BV** (the "Company") which comprise the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The financial statements have been prepared by the management of the Company in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and accounting policies generally accepted in India only to enable their incorporation in the consolidation financial statements of Reliance Power Limited and not to report on the Company as a separate entity. We have conducted our audit in accordance with the auditing standards generally accepted in India.

The financial statements are the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Management of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 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.

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

On this basis of information and explanations given to us and in our opinion, the accompanying financial statements of the Company, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2023 and its Loss for the year ended on that date.

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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

This report is intended solely for information and use of the Company, Reliance Power Limited, for the express purpose of completion of consolidated accounts of Reliance Power Limited for the year ended March 31, 2023 and not to be used for any other purpose.

For **M.S. Sethi & Associates**

Chartered Accountants

Regn.No.109407W

**Manoj Sethi**

Proprietor

Membership No.039784

Place: Mumbai

Date : April 21, 2023

UDIN: 23039784BGVVLZ3406

**Reliance Power Netherlands BV**  
**Balance Sheet as at March 31, 2023**

Particulars	Note No.	As at March 31, 2023	Rupees in '000 As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Financial Assets:			
Investments	3.1	16,48,635	16,29,752
Loans	3.2	43,47,732	40,08,774
<b>Current Assets</b>			
Financial Assets:			
Cash and Cash Equivalents	3.3	1,162	7,16,937
Loans	3.4	1,81,162	2,69,021
Other Current Assets	3.5	10,80,452	7,52,349
<b>Total</b>		<b>72,59,143</b>	<b>73,76,833</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	3.6	16,81,695	16,81,695
Other Equity	3.7	(5,52,431)	(3,91,037)
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	3.8	43,45,841	40,40,012
Other Current Liabilities	3.9	17,72,952	20,32,069
Current Tax Liabilities	3.10	11,086	14,094
<b>Total</b>		<b>72,59,143</b>	<b>73,76,833</b>

Significant Accounting Policies 2

The notes are an integral part of these financial statements

As per our Report of even date

**For M.S.Sethi & Associates**  
Chartered Accountants  
Regn. No:109407W

**For Reliance Power Netherlands BV**

**Manoj Sethi**  
Proprietor  
Membership No.039784

**Durgesh Soni**  
Authorised Signatory

Place: Mumbai  
Date : April 21, 2023

Place: Mumbai  
Date : April 21, 2023

**Reliance Power Netherlands BV**  
**Statement of Profit and Loss for the Year ended March 31, 2023**

Particulars	Note No.	Year Ended March 31, 2023	Rupees in '000 Year Ended March 31, 2022
<b>Revenue:</b>			
Other income	3.11	2,61,777	2,40,234
<b>Total</b>		<u><u>2,61,777</u></u>	<u><u>2,40,234</u></u>
<b>Expenses:</b>			
Finance costs	3.12	3,90,915	2,28,471
Other expenses	3.13	7,128	27,204
<b>Total</b>		<u><u>3,98,043</u></u>	<u><u>2,55,675</u></u>
<b>Profit/(Loss) before tax</b>		<b>(1,36,266)</b>	<b>(15,441)</b>
<b>Tax expense:</b>			
Current tax		(367)	(2,851)
<b>Profit/(Loss) for the Year</b>		<u><u>(1,35,899)</u></u>	<u><u>(12,590)</u></u>

Significant Accounting Policies 2

The notes are an integral part of these financial statements

As per our Report of even date

**For M.S.Sethi & Associates**  
Chartered Accountants  
Regn. No:109407W

**For Reliance Power Netherlands BV**

**Manoj Sethi**  
Proprietor  
Membership No.039784

**Durgesh Soni**  
Authorised Signatory

Place: Mumbai  
Date : April 21, 2023

Place: Mumbai  
Date : April 21, 2023

**Reliance Power Netherlands BV**  
**Statement of Profit and Loss for the Year ended March 31, 2023**

**1. General Information :**

The Company is a Private Limited Company having its statutory seat in Amsterdam. The Company was incorporated on 9th July 2010. The Company's objectives are to incorporate, to manage and to supervise enterprises and companies along with acting as a group holding company. The Company is wholly owned by Reliance Coal Resources Private Limited, Mumbai, India.

**2. Significant Accounting Policies :**

**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**

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

**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

**b) Investments and other financial assets**

**Classification**

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

those to be measured subsequently at fair value through profit or loss

those measured at amortised cost

**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 off tax, from the proceeds.

**c) Provisions and Contingent Liabilities/Assets**

**Provisions:**

Provisions are recognised when there is 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 reporting period. The discount rate used to determine the present value is 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 expenses.

**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 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.

**d) Revenue :**

Revenue is measured at the fair value of the consideration received or receivable.

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

**e) Borrowing cost:**

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.

**f) Cash and Cash equivalents :**

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 change in value.

Reliance Power Netherlands BV  
Notes to the financial statements for the year ended March 31, 2023

Particulars	As at March 31, 2023	Rupees in '000 As at March 31, 2022
<b>3.1 Investments</b>		
Equity Instruments (unquoted, fully paid-up, at cost) In Subsidiaries		
<b>PT Avneesh Coal Resources</b>		
96,18,733 (March 31, 2022: 96,18,733) Shares of USD 1 each	5,12,402	5,06,534
<b>PT Heramba Coal Resources</b>		
20,294,943 (March 31, 2022: 20,294,943) Shares of USD 1 each	11,36,233	11,23,218
	<b>16,48,635</b>	<b>16,29,752</b>
<b>3.2 Non-current loans and advances</b> (Unsecured and considered good)		
Loans to others	43,47,732	40,08,774
	<b>43,47,732</b>	<b>40,08,774</b>
<b>3.3 Cash and cash equivalents</b>		
Bank balance in current account	1,162	7,16,937
	<b>1,162</b>	<b>7,16,937</b>
<b>3.4 Current loans</b> (Unsecured and considered good)		
Loan to related parties	11,510	16,526
Loans to others	1,69,652	2,52,495
	<b>1,81,162</b>	<b>2,69,021</b>
<b>3.5 Other current assets</b> (Unsecured and considered good)		
Accrued Interest on loans	10,80,411	7,52,313
Prepaid expense	28	-
Other Receivable	-	23
Security deposits	13	13
	<b>10,80,452</b>	<b>7,52,349</b>

**Reliance Power Netherlands BV**

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

Particulars	As at March 31, 2023	Rupees in '000 As at March 31, 2022
<b>3.6 Equity Share Capital</b>		
<b>Authorised</b>		
240,486 (March 31, 2022: 240,486) ordinary shares of Euro 100 each fully paid up		
<b>Issued, Subscribed and paid up</b>		
240,486 (March 31, 2022: 240,486) ordinary shares of Euro 100 each fully paid up		
	16,81,695	16,81,695
	<b>16,81,695</b>	<b>16,81,695</b>
<b>3.7 Other equity</b>		
<b>Securities Premium account</b>		
Foreign Currency Translation Reserve	(15,935)	9,560
<b>Retained earnings</b>		
Balance at the beginning of the year	(4,00,597)	(3,88,007)
Profit/ (Loss) for the year	(1,35,899)	(12,590)
	<b>(5,36,496)</b>	<b>(4,00,597)</b>
Balance at the end of the year	<b>(5,52,431)</b>	<b>(3,91,037)</b>
<b>3.8 Borrowings</b>		
<b>(Unsecured)</b>		
Loan from related party	43,45,841	40,40,012
	<b>43,45,841</b>	<b>40,40,012</b>
<b>3.9 Other current financial liabilities</b>		
Interest Accrued but not due on borrowings	16,56,875	11,67,375
Sundry Creditors for Services	7,084	5,356
Advance from Related Party	55,552	7,15,304
Other Liability	53,441	1,44,034
	<b>17,72,952</b>	<b>20,32,069</b>
<b>3.10 Other tax liabilities</b>		
Provision for tax (Net of advance tax)	11,086	14,094
	<b>11,086</b>	<b>14,094</b>

**Reliance Power Netherlands BV**  
**Statement of Profit and Loss for the Year ended March 31, 2023**

Particulars	Year Ended March 31, 2023	Rupees in '000 Year Ended March 31, 2022
<b>3.11 Other income</b>		
Interest Income - other	2,61,777	2,40,234
	<u>2,61,777</u>	<u>2,40,234</u>
<b>3.12 Finance costs</b>		
Interest	3,90,794	2,28,319
Bank and other finance charges	121	152
	<u>3,90,915</u>	<u>2,28,471</u>
<b>3.13 Other expenses</b>		
Professional charges	5,422	24,585
Payment to auditor	1,088	1,140
Loss on foreign exchange fluctuations	32	(88)
Rent	93	107
Rates and taxes	430	-
Interest on Income Tax	-	1,444
Miscellaneous Expenses	63	16
	<u>7,128</u>	<u>27,204</u>