

Independent Auditors' Report

To
The Members of
Reliance Coal Resources Private Limited

Opinion

We have audited the accompanying financial statements of Reliance Coal Resources Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Following are the brief summary of Key Audit Matters:

| Sr. | The key audit matters | How the matter was addressed in our audit |
|-----|--|---|
| 1 | <u>Inter Corporate Deposit to subsidiary – impairment assessment</u> Other Income consists of Interest income on Inter corporate deposit given to subsidiary Reliance Power Netherlands BV of Rs. 63,66,298 thousand on which interest booked of Rs.2,96,025 thousand. These loans are tested for impairment annually. If impairment exists, the recoverable amounts of the loans are estimated in order to determine the extent of the impairment loss, if any. Determination of whether there exists any impairment in the value of loans is subject to a significant level of judgment. | The term sheet signed between the two companies on April 01, 2022 provides for interest at 9% p.a to be charged on ICD totaling USD 32 Million. Exchange gain is accounted as gain on foreign exchange of Rs. 67,557 thousand based on arms lengths of international lending. - Verified whether the requisite approvals were obtained for the loan given and ensured other compliances as required by the applicable regulation. |

| | | |
|--|---|---|
| | | <p>- Verified the adequacy of the provision made by management, consequently the Company has stopped the booking of interest income thereafter.</p> <p>- Evaluated the adequacy of the related disclosures in note 3.5 of the financial statements.</p> |
| | <p>Investment in subsidiary - Impairment assessment Reliance Coal Resources Private Limited has wholly owned subsidiary in Netherland and made an investment of Rs. 16,84,296 thousand as equity.</p> | <p>Our Procedure included the following:</p> <p>We have obtained the audited financials of Reliance Power Netherlands BV for the year ended March 31, 2024.</p> <p>Subsidiary Company of Netherland has an asset and coal mine license in Indonesia which fully cover the investment given to subsidiary.</p> |

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report and shareholders' information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) There were no pending litigations which would impact financial position of the Company.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company during the year ended March 31, 2024.
 - (iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
 - (v) The Company has not declared or paid any dividend during the year.
 - (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 30, 2024
UDIN: 24197643BKBNFU3245

Reliance Coal Resources Private Limited
Balance Sheet as at March 31, 2024

| Particulars | Note No. | Rupees in '000 | |
|----------------------------------|----------|----------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3.1 | 8 | 8 |
| Financial Assets | | | |
| Investments | 3.2 | 16,84,296 | 16,84,296 |
| Other Non-Current Assets | 3.3 | 38 | 14 |
| Total Non-Current Assets | | 16,84,342 | 16,84,318 |
| Current Assets | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 3.4 | 52 | 3,599 |
| Loans | 3.5 | - | 60,02,717 |
| Total Current Assets | | 52 | 60,06,316 |
| Total | | 16,84,394 | 76,90,634 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 3.6 | 20,993 | 20,993 |
| Other Equity | 3.7 | (57,28,178) | 8,80,425 |
| Total Equity | | (57,07,185) | 9,01,418 |
| Liabilities | | | |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 3.8 | 50,28,325 | 37,93,480 |
| Other Financial Liabilities | 3.9 | 23,63,254 | 29,95,704 |
| Other Current Liabilities | 3.10 | - | 32 |
| Total Current Liabilities | | 73,91,579 | 67,89,216 |
| Total | | 16,84,394 | 76,90,634 |
| Significant Accounting Policies | 2 | | |

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

As per our Report of even date

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

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Sameer Kumar Gupta
Director
DIN 03486281

Umesh Kumar Agrawal
Director
DIN 02908684

Place : Mumbai
Date : April 30, 2024

Place : Mumbai
Date : April 30, 2024

Reliance Coal Resources Private Limited
Statement of Profit and Loss for the year ended March 31, 2024

| Particulars | Note No. | Rupees in '000 | |
|---|----------|---------------------------|---------------------------|
| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Revenue from Operations | | | |
| Other Income | 3.11 | 3,63,582 | 8,27,810 |
| Total | | 3,63,582 | 8,27,810 |
| Expenses | | | |
| Finance Costs | 3.12 | 5,59,487 | 5,51,828 |
| Other Expenses | 3.13 | 46,399 | 16,477 |
| Total | | 6,05,886 | 5,68,305 |
| Profit/ (Loss) before exceptional items and tax | | (2,42,304) | 2,59,505 |
| Exceptional Items | | | |
| - Impairment allowance (refer note 3.5) | | (63,66,299) | - |
| Profit/ (Loss) before tax | | (66,08,603) | 2,59,505 |
| Income tax expense | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Income tax for earlier years | | - | - |
| Profit/ (Loss) for the year (A) | | (66,08,603) | 2,59,505 |
| Other Comprehensive Income | | - | - |
| Other Comprehensive Income for the year (B) | | - | - |
| Total Comprehensive Income for the year (A+B) | | (66,08,603) | 2,59,505 |
| Earnings per equity share: (Face value of Rs. 10 each) | | | |
| Basic and Diluted (Rupees) | 7 | (3,147.95) | 123.61 |
| Significant Accounting Policies | 2 | | |

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

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No: 130381W
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For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Sameer Kumar Gupta
Director
DIN 03486281

Umesh Kumar Agarwal
Director
Din 02908684

Place : Mumbai
Date : April 30, 2024

Place : Mumbai
Date : April 30, 2024

Reliance Coal Resources Private Limited
Cash Flow Statement for the Year Ended March 31, 2024

| Particulars | Rupees in '000 | |
|--|------------------------------|------------------------------|
| | Year Ended March 31, 2024 | Year ended March 31, 2023 |
| (A) Cash Flow from Operating Activities | | |
| Net Profit/(Loss) before tax | (66,08,603) | 2,59,506 |
| Adjusted for: | | |
| Interest Income | (2,96,025) | (3,90,794) |
| Foreign Exchange (Gain)/Loss | (67,557) | (4,37,016) |
| Provision for Impairment | 63,66,299 | - |
| Interest and finance charges | 5,59,487 | 5,51,828 |
| Operating Loss before working capital changes | (46,399) | (16,476) |
| Changes in operating assets and liabilities: | | |
| (Increase) in other non-current assets | (25) | (14) |
| Increase / (decrease) in other current financial liabilities | 1,724 | (176) |
| (Decrease) / increase in other current liabilities | (32) | 32 |
| | (44,732) | (16,634) |
| Taxes (paid)/ refund received (net) | - | - |
| Net Cash from/ (used in) Operating Activities (A) | (44,732) | (16,634) |
| (B) Cash flow from investing activities | | |
| Inter corporate deposit given to subsidiary | - | (17,369) |
| Net cash from/ (used in) Investing Activities (B) | - | (17,369) |
| (C) Cash flow from Financing Activities | | |
| Inter Corporate Deposit received | 41,185 | 37,751 |
| Interest and finance charges paid | - | (170) |
| Net Cash from Financing Activities (C) | 41,185 | 37,581 |
| Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C) | (3,547) | 3,578 |
| Cash and Cash equivalents at the beginning of the year (refer note 3.4) : | | |
| Bank Balance-Current Account | 3,599 | 21 |
| Cash and Cash equivalents at the end of the year (refer note 3.4) : | | |
| Bank Balance-Current Account | 52 | 3,599 |

As per our Report of even date

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

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Place : Mumbai
Date : April 30, 2024

Sameer Kumar Gupta
Director
DIN 03486281

Umesh Kumar Agarwal
Director
Din 02908684

Place : Mumbai
Date : April 30, 2024

Reliance Coal Resources Private Limited
Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital (Refer note 3.6)

Rupees in '000

| Particulars | Total |
|-------------------------------------|---------------|
| Balance as April 01, 2022 | 20,993 |
| Changes in share capital | - |
| Balance as at March 31, 2023 | 20,993 |
| Changes in share capital | - |
| Balance as at March 31, 2024 | 20,993 |

B. Other Equity (Refer note 3.7)

| Particulars | Reserves and Surplus | | Total |
|--|----------------------|--------------------|--------------------|
| | Securities premium | Retained Earnings | |
| Balance as at April 1, 2022 | 20,68,442 | (14,47,522) | 6,20,920 |
| Profit/(Loss) for the year | - | 2,59,505 | 2,59,505 |
| Other Comprehensive Income for the year | - | - | - |
| Total Comprehensive Income for the year | - | 2,59,505 | 2,59,505 |
| Balance as at March 31, 2023 | 20,68,442 | (11,88,017) | 8,80,425 |
| Profit/(Loss) for the year | - | (66,08,603) | (66,08,603) |
| Other Comprehensive Income for the year | - | - | - |
| Total Comprehensive Income for the year | - | (66,08,603) | (66,08,603) |
| Balance as at March 31, 2024 | 20,68,442 | (77,96,620) | (57,28,178) |

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

As per our Report of even date

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

For and on behalf of the Board

Ankur Jain
Partner
Membership No. 197643

Sameer Kumar Gupta **Umesh Kumar Agarwal**
Director Director
DIN 03486281 Din 02908684

Place : Mumbai
Date : April 30, 2024

Place : Mumbai
Date : April 30, 2024

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 Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai, 400001.

These financial statements are authorised for issue by the Board of Directors on April 30, 2024.

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 Indian Accounting Standards

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

The financial statements are presented in 'Indian Rupees' (Rs.), which is the Company's functional and presentation currency, all amounts are rounded to the nearest thousand, unless otherwise stated.

(b) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(c) 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:

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

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.

(d) Foreign currency translation:

i. Functional and presentation currency

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

ii. Transactions and balances

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

(e) Property, Plant and Equipment

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.

(f) Financial instruments:

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

Investments and other financial assets

i. Classification

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

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

ii Service income

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

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

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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(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.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events, but it is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability is termed as contingent liability.

Contingent Assets

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

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

Tax Losses

The Company has unused business loss of Rs 16,24,286 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. 8 for amount of such temporary difference on which deferred tax assets are not recognized.

Fair value measurement and valuation process

The Company measured its investments in equity shares of subsidiary at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment of financial assets and credit risk exposure. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the Statement of profit and Loss.

Useful lives of Property, Plant and Equipment

The Company has estimated its useful lives of wind power assets based on the expected wear and tear, industry trends etc. In actual, the wear and tear can be different. When the useful lives differ from the original estimated useful lives, the Company will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, Plant and Equipment

3.1 Property, Plant and Equipment & Depreciation

Rupees in '000

| Particulars | Office equipments | Total |
|---|-------------------|----------|
| Gross carrying amount | | |
| Balance as at April 01, 2022 | 8 | 8 |
| Additions during the year | - | - |
| Carrying amount as at March 31, 2023 | 8 | 8 |
| Additions during the year | - | - |
| Carrying amount as at March 31, 2024 | 8 | 8 |
| Accumulated depreciation | | |
| Balance as at April 1, 2022 | | |
| Depreciation for the year | - | - |
| Balance as at March 31, 2023 | - | - |
| Depreciation for the year | - | - |
| Balance as at March 31, 2024 | - | - |
| Net carrying amount | | |
| As at March 31, 2023 | 8 | 8 |
| As at March 31, 2024 | 8 | 8 |

Reliance Coal Resources Private Limited
Notes to the financial statements for the year ended March 31, 2024 (continued)

| Particulars | Rupees in '000 | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 3.2 Non-Current Investments | | |
| Equity Instruments (unquoted, fully paid-up) | | |
| In Subsidiaries (at cost) | | |
| Reliance Power Netherlands BV | 16,84,296 | 16,84,296 |
| (Number of shares: 2,40,486 (March 2023: 2,40,486, face value of Euro 100 each) (Refer Note No.5) | | |
| | <u>16,84,296</u> | <u>16,84,296</u> |
| 3.3 Other non-current assets | | |
| (Unsecured and considered good) | | |
| Balance with statutory authorities | 38 | 14 |
| | <u>38</u> | <u>14</u> |
| 3.4 Cash and cash equivalents | | |
| Balance with banks: | | |
| in current account | 52 | 3,599 |
| | <u>52</u> | <u>3,599</u> |
| 3.5 Current Loans | | |
| (Unsecured and credit impaired) | | |
| Inter corporate deposits to subsidiary (Refer note 5) | 63,66,298 | 60,02,717 |
| Less: impairment allowance | (63,66,298) | - |
| | <u>-</u> | <u>60,02,717</u> |

Reliance Coal Resources Private Limited
Notes to the financial statements for the year ended March 31, 2024 (continued)

| Particulars | Rupees in '000 | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 3.7 Other Equity | | |
| 3.7.1 Securities premium | 20,68,442 | 20,68,442 |
| 3.7.2 Other Comprehensive income | 782 | 782 |
| 3.7.3 Surplus in the Statement of Profit and Loss | (77,97,402) | (11,88,799) |
| Total other equity | (57,28,178) | 8,80,425 |
| 3.7.1 Securities premium | | |
| Balance at the beginning of the year | 20,68,442 | 20,68,442 |
| Add: additions during the year | - | - |
| Balance at the end of the year | 20,68,442 | 20,68,442 |
| 3.7.2 Other Comprehensive income | | |
| Balance at the beginning of the year | 782 | 782 |
| Remeasurements of net defined benefit plans | - | - |
| Balance at the end of the year | 782 | 782 |
| 3.7.3 Retained Earnings | | |
| Balance at the beginning of the year | (11,88,799) | (14,48,304) |
| Profit / (loss) during the year | (66,08,603) | 2,59,505 |
| Balance at the end of the year | (77,97,402) | (11,88,799) |
| | (57,28,178) | 8,80,425 |
| 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 provisions of the Companies Act, 2013 | | |
| 3.8 Current borrowings | | |
| Unsecured | | |
| Inter corporate deposit received from Holding Company (refer note 5) | 14,51,618 | 36,96,241 |
| Inter-corporate deposits from fellow subsidiaries (refer note 5) | 35,76,707 | 97,239 |
| | 50,28,325 | 37,93,480 |
| (i) The above unsecured loans are interest free and repayable on demand. | | |
| 3.9 Other current financial liabilities | | |
| Interest accrued and due on borrowings (refer note 5) | 23,46,141 | 29,80,315 |
| Dues to holding company (Refer note 5) | 17,044 | 15,204 |
| Other payables | 69 | 185 |
| | 23,63,254 | 29,95,704 |
| 3.10 Other current liabilities | | |
| Statutory dues | - | 32 |
| | - | 32 |

Reliance Coal Resources Private Limited

Notes to the financial statements for the year ended March 31, 2024 (continued)

| Particulars | Rupees in '000 | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| 3.11 Other income | | |
| Interest income: | | |
| Inter-corporate deposits | 2,96,025 | 3,90,794 |
| Gain on foreign exchange fluctuations (Net) | 67,557 | 4,37,016 |
| | <u>3,63,582</u> | <u>8,27,810</u> |
| 3.12 Finance costs | | |
| Interest on: | | |
| Inter corporate deposits | 5,59,523 | 5,51,658 |
| Other finance charges | (36) | 170 |
| | <u>5,59,487</u> | <u>5,51,828</u> |
| 3.13 Generation, administration and other expenses | | |
| Legal and professional charges | 46,389 | 16,458 |
| Audit fees | 10 | 10 |
| Rates and taxes | - | 9 |
| | <u>46,399</u> | <u>16,477</u> |

Reliance Coal Resources Private Limited
Notes to the financial statements for the year ended March 31, 2024 (continued)

| Particulars | Rupees in '000 | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| 3.6 Share capital | | |
| Authorised | | |
| 16,000,000 (March 2023: 16,000,000) equity shares of Rs.10 each | 1,60,000 | 1,60,000 |
| | <u>1,60,000</u> | <u>1,60,000</u> |
| Issued, subscribed and paid up | | |
| 2,099,335 (March 2023: 20,99,335) equity shares of Rs.10 each fully paid up | 20,993 | 20,993 |
| | <u>20,993</u> | <u>20,993</u> |
| 3.6.1 Reconciliation of number of equity shares | | |
| Equity shares | | |
| Balance at the beginning of the year - 20,99,335 (March 2023: 20,99,335) shares of Rs. 10 each | 20,993 | 20,993 |
| Changes during the year | - | - |
| Balance at the end of the year - 20,99,335 (March 2023: 20,99,335) shares of Rs. 10 each | <u>20,993</u> | <u>20,993</u> |

3.6.2 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.

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

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | No. of Shares | % of share holding | No. of Shares | % of share holding |
| Equity shares | | | | |
| Reliance Power Limited (Equity Shares of Rs 10 each fully paid up) | 20,99,335 | 100% | 20,99,335 | 100% |
| | <u>20,99,335</u> | <u>100%</u> | <u>20,99,335</u> | <u>100%</u> |

3.6.4 Disclosure of shares held by holding company

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-------------------------|-------------|-------------------------|-------------|
| | % of share holding | | % of share holding | |
| Equity Shares | | | | |
| Reliance Power Limited (refer note (i) below) | 20,99,335 | 100% | 20,99,335 | 100% |
| | <u>20,99,335</u> | <u>100%</u> | <u>20,99,335</u> | <u>100%</u> |

(i) Of the above 20,99,334 (March 2023: 20,99,334) shares are held by Reliance Power Limited, the holding company and 1 (March 2023: 1) share is jointly held by Reliance Power and its nominee.

3.6.5 Share held by promoters

| | As at March 31, 2024 | | As at March 31, 2023 | | % change of share holding |
|------------------------|-------------------------|-------------|-------------------------|-------------|---------------------------|
| | % of share holding | | % of share holding | | |
| Equity Shares | | | | | |
| Reliance Power Limited | 20,99,335 | 100% | 20,99,335 | 100% | Nil |
| | <u>20,99,335</u> | <u>100%</u> | <u>20,99,335</u> | <u>100%</u> | <u>Nil</u> |

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2024 (Continued)

4) Details of remuneration to auditors:

| Particulars | Rupees in '000 | |
|----------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| As auditors | | |
| For statutory audit* | 10 | 10 |
| For Certification | - | 63 |
| | 10 | 73 |

* Statutory Audit Fee is exclusive of GST.

5) Related party transactions:

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

A. Parties where control exists:

(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:

(iii) Fellow Subsidiaries

Reliance Cleangen Limited (RCGL)

Rosa Power Supply Company Limited (RPSCL)

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

| | | Rupees in '000 | |
|--------|----------------------------------|----------------|----------|
| S. No. | Particulars | 2023-24 | 2022-23 |
| (i) | Transaction during the year: | | |
| | Reimbursement of expenses | | |
| | R Power | - | 21 |
| | Impairment allowances | | |
| | RPNBV | 63,66,299 | - |
| | Inter-corporate deposit received | | |
| | R Power | - | 70,355 |
| | RPL | 34,79,489 | - |
| | Inter-corporate deposit refunded | | |
| | R Power | 22,44,623 | 32,625 |
| | RCGL | 22 | - |
| | Loan Given | | |
| | RPNBV | - | 17,369 |
| | Interest earned on loan | | |
| | RPNBV | 2,96,025 | 3,90,794 |

Reliance Coal Resources Private Limited

Notes to the financial statements as of and for the year ended March 31, 2024 (Continued)

| | | | |
|--|--|----------|----------|
| | Interest expenses on Inter-corporate deposits | | |
| | R Power | 4,73,805 | 5,51,658 |
| | RPL | 85,718 | - |

| | | Rupees in '000 | |
|------|---|----------------|-----------|
| | | 2023-24 | 2022-23 |
| (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 | 14,51,618 | 36,96,241 |
| | RCGL | 97,217 | 97,239 |
| | RPSCCL | 34,79,488 | - |
| | Investment in subsidiaries (Equity) | | |
| | RPNBV | 16,84,296 | 16,84,296 |
| | Dues to holding company | | |
| | R Power | 17,044 | 15,204 |
| | Interest accrued and due on borrowings | | |
| | R Power | 54,056 | 29,80,315 |
| | RPSCCL | 22,92,085 | - |
| | Loan given including interest accrued | | |
| | RPNBV | - | 60,02,717 |

6) Earning in foreign currency

| Particulars | Rupees in '000 | |
|-----------------|------------------------------|------------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Interest Income | 2,96,025 | 3,90,794 |

7) Earnings per share:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Profit / (loss) available to equity shareholders | | |
| Profit / (loss) after tax (A) (Rupees in '000) | (66,08,603) | 2,59,506 |
| 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.) | (3,147.95) | 123.61 |
| Nominal value of an equity share (Rs.) | 10 | 10 |

8) Income taxes

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

| Particulars | Rupees in '000 | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Profit / (Loss) before tax | (66,08,603) | 2,59,506 |
| Tax at the Corporate Indian tax rate of 26% (2022-23: 26%) | (16,63,385) | 65,318 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | - | (65,318) |
| Tax losses for which no deferred income tax was recognised | 16,63,385 | - |
| Income tax expense | - | - |

b) Tax losses and Tax credits

| Particulars | March 31, 2024 | March 31, 2023 |
|--|--------------------|--------------------|
| Unused losses for which no deferred tax asset has been recognised | (16,24,286) | (15,45,222) |
| Total | (16,24,286) | (15,45,222) |

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

9) Fair value measurements

(a) Financial instruments by category

| Particulars | March 31, 2024 Amortised Cost | March 31, 2023 Amortised Cost |
|--|----------------------------------|----------------------------------|
| Financial assets | | |
| Inter corporate deposits to subsidiary | - | 60,02,717 |
| Cash and cash equivalents | 52 | 3,599 |
| Total financial assets | 52 | 60,06,316 |
| Financial liability | | |
| Borrowings | 50,28,325 | 37,93,480 |
| Interest accrued but not due | 23,46,141 | 29,80,315 |
| Other Payables | 17,111 | 15,388 |
| Total financial liability | 73,91,577 | 67,89,183 |

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.

| Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|-----------|---------|-----------|
| Financial assets | - | - | - | - |
| Financial Liabilities | | | | |
| Borrowings | - | 50,28,325 | - | 50,28,325 |

| | | | | |
|-----------------------------|---|-----------|---|-----------|
| Total financial liabilities | - | 50,28,325 | - | 50,28,325 |
|-----------------------------|---|-----------|---|-----------|

| Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|-----------|---------|-----------|
| Financial assets | - | - | - | - |
| Financial Liabilities | | | | |
| Borrowings | - | 37,93,480 | - | 37,93,480 |
| Total financial liabilities | - | 37,93,480 | - | 37,93,480 |

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

| Particulars | Rupees in '000 | | | |
|-----------------------------|-----------------|------------|-----------------|------------|
| | March 31, 2024 | | March 31, 2023 | |
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial assets | - | - | - | - |
| Financial Liabilities | | | | |
| Borrowings | 50,28,325 | 50,28,325 | 37,93,480 | 37,93,480 |
| Total financial liabilities | 50,28,325 | 50,28,325 | 37,93,480 | 37,93,480 |

(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.

10) Financial risk management

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

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

(a) Credit risk

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

Credit risk management

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

(b) Liquidity risk

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

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

Maturities of financial liabilities

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

| Rupees in '000 | | | | |
|-------------------------------------|------------------|----------------------------|-------------------|------------------|
| March 31, 2024 | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total |
| <u>Financial liabilities</u> | | | | |
| Dues to holding company | 50,28,325 | - | - | 50,28,325 |
| Interest accrued and due | 23,46,141 | - | - | 23,46,141 |
| Others | 17,111 | - | - | 17,111 |
| Total financial liabilities | 73,91,577 | | | 73,91,577 |
| <hr/> | | | | |
| March 31, 2023 | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total |
| <u>Financial liabilities</u> | | | | |
| Dues to holding company | 37,93,480 | - | - | 37,93,480 |
| Interest accrued and due | 29,80,315 | - | - | 29,80,315 |
| Others | 15,388 | - | - | 15,388 |
| Total financial liabilities | 67,89,183 | | | 67,89,183 |

11) Capital Management**(a) Risk Management**

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

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

| | March 31, 2024 | March 31, 2023 |
|--------|----------------|----------------|
| Equity | (57,07,185) | 9,01,418 |
| Debt | 50,28,325 | 37,93,480 |

| | | |
|-------|------------|-----------|
| Total | (6,78,860) | 46,94,898 |
|-------|------------|-----------|

12) 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.

13) 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.

14) Corporate social responsibility (CSR)

As per section 135 of the Act, the Company is required to spend Rs. Nil towards CSR based on profitability of the Company, against the same Rs. Nil has been spent by the Company.

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

| Name | Amount outstanding as at | | Maximum amount outstanding during the year | |
|---------------------------------|--------------------------|----------------|--|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Subsidiary : | | | | |
| Reliance Power Netherlands B.V. | - | 60,02,717 | 63,66,299 | 60,02,717 |

16) 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.

- 17)** 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.

18) 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 31,2024 | Year Ended March 31,2023 |
| Short term Borrowings | | |
| Opening Balance | 37,93,480 | 37,55,729 |
| Availed during the year | 12,34,845 | 70,376 |
| Repaid During the year | - | (32,625) |
| Closing Balance | 50,28,325 | 37,93,480 |
| Interest Expenses | | |
| Opening Balance | 29,80,315 | 24,28,657 |
| Interest Charge as per Statement Profit & Loss / Intangible assets under development | 5,59,487 | 5,51,828 |
| Interest paid | (11,93,660) | (170) |
| Closing Balance | 23,46,141 | 29,80,315 |

- 19) The Company has outstanding net investment in its subsidiary as on March 31, 2024 of Rs. 16,84,296 thousand (Refer Note 3.2).
- 20) The Company has incurred loss during the year. The net worth of the company is fully eroded. These events indicate a material uncertainty which may cast a significant doubt on the company's ability to continue as going concern. The company expects to generate sufficient and timely cash flows through time bound monetization of its assets and also there exists continuous financial support from the holding company to fulfill the obligation of the company wherever required. Accordingly, the accounts of the company are prepared on a going concern basis.
- 21) (a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 22) The Company has neither traded nor invested in Crypto Currency or any Virtual Currency during the year.
- 23) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets which have been recorded in the books of accounts during the year.
- 24) As per Section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- 25) (1) The Company does not have any Borrowings from any bank or financial institution.
(2) The Company has not been declared willful defaulter by any bans of financial institution or other lender.
(3) The Company has no taken any secured loan and hence no charge have been registered with the Registrar of companies.
- 26) The Company has not entered into any scheme of arrangement in terms of section 230 to section 237 of the Companies Act, which has an accounting impact during the year ended March 31, 2024 and previous year ended March 31, 2023.
- 27) The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024 and March 31, 2023.
- 28) The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021

Reliance Coal Resources Private Limited**Notes to the financial statements as of and for the year ended March 31, 2024 (Continued)**

requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP for maintaining books of accounts. During the year ended 31 March 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software SAP to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.

- 29) The Company has not revalued its property, plant and equipment or intangible assets or both during the year ended March 31, 2024 and March 31, 2023.
- 30) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- 31) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

32) Financial Performance Ratios:

| Sr | Particulars | March 31, 2024 | March 31, 2023 | Variance (%) |
|----|--|----------------|----------------|--------------|
| A | Current ratio (in times) ¹ | 0.00 | 0.88 | (100) |
| B | Debt Equity ratio (in times) ¹ | (0.88) | 4.21 | (121) |
| C | Debt Service Coverage ratio (in %) | NA | NA | NA |
| D | Return on Equity ratio (in %) ¹ | 1.16 | 0.29 | 302 |
| E | Inventory turnover ratio (in times) | NA | NA | NA |
| F | Trade Receivables turnover ratio (in times) | NA | NA | NA |
| G | Trade Payables turnover ratio (in times) | NA | NA | NA |
| H | Net Capital turnover ratio (in times) | NA | NA | NA |
| I | Net Profit ratio (in%) | NA | NA | NA |
| J | Return on capital employed (in %) ¹ | 9.73 | 0.06 | 17,512 |
| K | Return on Investment (in %) ¹ | 1.16 | 0.29 | 302 |

Ratios have been computed as under:

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

Reasons for variance more than 25%

- 1) Due to impairment of loan to subsidiary in current year.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2024 (Continued)

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

As per our Report of even date.

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

For and on behalf on the Board of Directors

Ankur Jain
Partner
Membership No. 197643

Sameer Kumar Gupta
Director
DIN: 03486281

Umesh Kumar Agrawal
Director
DIN: 02908684

Place: Mumbai
Date: April 30, 2024

Place: Mumbai
Date: April 30, 2024