

**Independent Auditor's Report**

**To The Members of Vidarbha Industries Power Limited**

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

**Opinion**

We have audited the accompanying financial statements of **Vidarbha Industries Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of material accounting policies and other explanatory information ("together referred to as "financial statements").

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

**Basis for Qualified Opinion**

We draw attention to Note no. 21 of the financial statements which sets out the fact that the Company has incurred losses during the year ended March 31, 2024 as well as during the previous years, its current liabilities exceeds current assets, Power Purchase Agreement with Adani Electricity Mumbai Limited stands terminated w.e.f. December 16, 2019, its plant remaining un-operational since January 15, 2019, Company's loans being recalled and certain lenders has filed application under the provision of Insolvency and Bankruptcy Code and Debt Recovery Tribunal. Further certain covenants of the loan agreement are not complied by the Company. These events and conditions indicate material uncertainty exists that may cast a significant doubt on the ability of the Company to continue as a going concern. However, the accounts of the Company have been prepared on a going concern for the factors stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern assumption in the preparation of the financial statements of the Company and with the events and conditions more explained in the Note no. 21 of the financial statements does not adequately support the use of going concern assumption in preparation of the financial statements of the Company.

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

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Directors 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

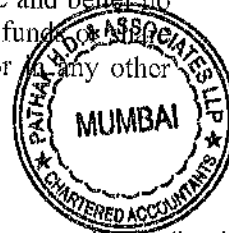
#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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.

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- b) In our opinion, except for matters stated in Basis of Qualified Opinion section and matter stated in paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and returns.
- d) In our opinion except for matter stated in Basis of Qualified Opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules made thereunder.
- 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) The matters described in the Basis of Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in Basis of Opinion paragraph and paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i) 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 according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to directors during the year.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented to us that, to the best of it's knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or premium or any other sources or kind of funds) by the Company to or for any other



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or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on our audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- 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 an accounting software for maintaining its books of account for the 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. However as stated in Note no.15 no audit trail has been enabled at database level for any direct changes in database in accounting software SAP for the year ended March 31, 2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 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 Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration No. 107783W/W100593

**Jigar T. Shah**  
Partner  
Membership No. 161851  
UDIN: 24161851BKBHIP6511

**Date:** May 22, 2024  
**Place:** Mumbai

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

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report in the Independent Auditors Report of even date to the members of Vidarbha Industries Power Limited on the financial statement as of and for the year ended March 31, 2024**

i. In respect of its Property, Plant and Equipment and Intangible Assets:

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

(B) Based on the records examined by us and information and explanation and representation given to us the Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the title deeds comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements, are held in the name of the Company.

(d) Based on the records examined by us and information and explanation given to us by the Management, the Company during the year has not revalued its Property Plant and Equipment (including rights of use assets) or intangible assets. Hence, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.

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

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

(b) Based on the records examined by us and information and explanation and representation given to us, the Company has been sanctioned working capital limits in excess of five crores from banks on the basis of security of current assets, however, the Company has not filed quarterly returns and statements with such banks.



- iii. (a) As per the information and explanations given to us and books of accounts and records examined by us, during the year the Company has not provided loans or advance in nature of loans or any guarantee or security to Companies, Firms, Limited Liability Partnerships or any other entities.
- (b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the Company has not made any investments or provided any guarantees or given security or granted any loans or advances in the nature of loans during the year.
- (c) Based on the records examined by us and information and explanation given to us, the Company has not given any loans secured or unsecured, to any Companies, Firms, Limited Liability Partnerships or other parties. Hence, the reporting under clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, to the extent as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of sale of electricity where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been prepared and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, we observed that there are delays in depositing the undisputed statutory dues including provident fund, income tax, goods and services tax and other material statutory dues. According to the information and explanations given to us, undisputed amounts payable in respect income tax which were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable are as under:

| Name of Statute      | Nature of Dues         | Amount (Rs. in Lakhs) | Period to which it relates | Due Date      | Date of Payment |
|----------------------|------------------------|-----------------------|----------------------------|---------------|-----------------|
| Income Tax Act, 1961 | Tax Deducted at source | 1.05                  | 2022-23                    | Various dates | May 21, 2024    |

- (b) According to the information and explanations given to us and the records of the Company examined by us, details of statutory dues referred to in clause vii (a) above, which have ~~not~~ been deposited as on March 31, 2024 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Amount (Rs. in Lakhs) | Period to which it relates | Forum where dispute is pending                     |
|----------------------|----------------|-----------------------|----------------------------|--|
| Income Tax Act, 1961 | Income Tax     | 76                    | A.Y. 2016-17               | Commissioner of Income Tax Appeals CIT (A), Mumbai |

- viii. According to information and explanation given to us and representation given by the Management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) Based on the examination of records and information and explanation given to us, the Company has defaulted in repayment of its loans and payment of interest to lender the details of which are as follows:

| Nature of Borrowings          | Name of Lender                           | Rs. In Lakhs                |                       |                             |                       |
|-------------------------------|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
|                               |  | Borrowings                  |                       | Interest                    |                       |
|                               |  | As at March 31, 2024        |                       | As at March 31, 2024        |                       |
|                               |  | Amount not paid on due date | Period (Maximum days) | Amount not paid on due date | Period (Maximum days) |
| Rupee Term Loan               | CFM Asset Reconstruction Private Limited | 2,01,333                    | 1827                  | 1,41,327                    | 1521                  |
| External Commercial Borrowing | Axis Bank                                | 22,332                      | 1827                  | 7,796                       | 1521                  |
| Working Capital Borrowing     | CFM Asset Reconstruction Private Limited | 54,468                      | 1737                  | 32,247                      | 1433                  |
|                               | <b>Total</b>                             | <b>2,78,133</b>             |                       | <b>1,81,370</b>             |                       |

- (b) According to the information and explanations and representation given to us and on the basis of the audit procedures, we report that the Company has not been declared as wilful defaulter by any banks, financial institution or government or any government authority.
- (c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the Company has not raised term loans from any lender. Hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle-blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them, and hence provisions of Section 192 of the Act, are not applicable.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) On the basis of examination of records and according to the information and explanation given to us by the Management, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- (c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group does not have any Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii. Based on the examination of records, the Company has incurred cash losses of Rs. 40,420 lakhs in the financial year 2023-24 and Rs. 39,324 lakhs in immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the ability of the Company to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Based on the examination of records of the Company and information and explanations given to us, due to losses incurred, the conditions and requirements of section 135 of the act is not applicable to the Company. Hence, the reporting under clause 3(xx) (a) and (xx) (b) of the Order is not applicable to the Company.

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

**Jigar T. Shah**  
Partner  
Membership No. 161851  
UDIN: 24161851BKBHIP6511

**Date:** May 22, 2024

**Place:** Mumbai

**Annexure "B" To the Independent Auditors' Report on the financial statements of Vidarbha Industries Power Limited for the year ended March 31, 2024**

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

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Vidarbha Industries Power Limited for the year ended March 31, 2024)

We have audited the internal financial controls with reference to financial statements of Vidarbha Industries Power Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and standards issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, maintained adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial control with reference to these financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Chartered Accountants

Firm Registration No. 107783W/W100593

**Jigar T. Shah**

Partner

Membership No. 161851

UDIN: 24161851BKBIIP6511

**Date:** May 22, 2024

**Place:** Mumbai

Vidarbha Industries Power Limited  
Balance Sheet as at March 31, 2024

| Particulars   | Note<br>No. | Rs in Lakhs            |                         |
|---|-------------|------------------------|-------------------------|
|   |             | As at<br>March 31 2024 | As at<br>March 31, 2023 |
| <b>ASSETS</b>   |             |                        |                         |
| <b>Non-current assets</b>                                 |             |                        |                         |
| Property, plant and equipment                             | 3.1         | 1,78,799               | 1,98,861                |
| Intangible assets   | 3.2         | 469                    | 538                     |
| Financial assets:   |             |                        |                         |
| Investments   | 3.3(a)      | 27                     | 220                     |
| Loans   | 3.3 (b)     | 750                    | 750                     |
| Other financial assets                                    | 3.3(c)      | 66                     | 66                      |
| Non-current tax assets                                    | 3.4         | 12                     | 14                      |
| Other non-current assets                                  | 3.5         | 202                    | 202                     |
| <b>Total non-current assets</b>                           |             | <b>1,80,325</b>        | <b>2,00,651</b>         |
| <b>Current assets</b>                                     |             |                        |                         |
| Inventories   | 3.6         | 6,277                  | 6,528                   |
| Financial assets:   |             |                        |                         |
| Trade receivables   | 3.7(a)      | 77                     | 1,07,078                |
| Cash and cash equivalents                                 | 3.7(b)      | 216                    | 2                       |
| Other financial assets                                    | 3.7(c)      | 7                      | 4                       |
| Other current assets                                      | 3.8         | 1,054                  | 1,130                   |
| <b>Total current assets</b>                               |             | <b>7,631</b>           | <b>1,14,742</b>         |
| <b>Total Assots</b>                                       |             | <b>1,87,956</b>        | <b>3,15,393</b>         |
| <b>EQUITY AND LIABILITIES</b>                             |             |                        |                         |
| <b>Equity</b>   |             |                        |                         |
| Equity share capital                                      | 3.9         | 1,491                  | 149                     |
| Other equity  |             |                        |                         |
| Instrument entirely equity in nature                      | 3.10        | -                      | 1,342                   |
| Reserves and surplus & other reserve                      | 3.11        | (2,98,027)             | (1,29,683)              |
| <b>Total equity</b>                                       |             | <b>(2,96,536)</b>      | <b>(1,28,192)</b>       |
| <b>Liabilities</b>  |             |                        |                         |
| <b>Non-current liabilities</b>                            |             |                        |                         |
| Provisions  | 3.12        | 111                    | 134                     |
| <b>Current liabilities</b>                                |             |                        |                         |
| Financial liabilities:                                    |             |                        |                         |
| Borrowings  | 3.13        | 2,82,347               | 2,81,350                |
| Trade payables  |             |                        |                         |
| (i) Total outstanding dues of micro and small enterprises | 3.14(a)     | 2,422                  | 2,424                   |
| (ii) Total outstanding dues of other than (i) above       | 3.14(a)     | 12,487                 | 11,435                  |
| Other financial liabilities                               | 3.14(b)     | 1,86,990               | 1,48,130                |
| Other current liabilities                                 | 3.15        | 21                     | 31                      |
| Provisions  | 3.16        | 114                    | 81                      |
| <b>Total current liabilities</b>                          |             | <b>4,84,381</b>        | <b>4,43,451</b>         |
| <b>Total Equity and Liabilities</b>                       |             | <b>1,87,956</b>        | <b>3,15,393</b>         |
| Material accounting policies                              | 2           |                        |                         |
| Notes to financial statements                             | 1 to 30     |                        |                         |

The accompanying notes are an integral part of these financial statements

**Vidarbha Industries Power Limited**

As per our attached Report of even date

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

Chartered Accountants

Firm Registration No. 107783W/W100593

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

**Jigar T. Shah**

Partner

Membership No. 161851

**Mahoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: May 22, 2024

**Shrikant D. Kulkarni**

Director

DIN 05136399

**Mantu Kumar Ghosh**

Chief Financial Officer

Place: Mumbai

Date: May 22, 2024

Vidarbha Industries Power Limited  
Statement of Profit and Loss for the year ended March 31, 2024

| Particulars   | Note No.       | Rs in Lakhs               |                           |
|---|----------------|---------------------------|---------------------------|
|   |                | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Revenue from Operations                                       | 3.17           | 357                       | 454                       |
| Other Income  | 3.18           | 516                       | 420                       |
| <b>Total revenue</b>  |                | <b>873</b>                | <b>874</b>                |
| <b>Expenses</b>   |                |                           |                           |
| Cost of fuel consumed   |                | -                         | -                         |
| Employee benefit expenses                                     | 3.19           | 376                       | 421                       |
| Finance costs   | 3.20           | 38,663                    | 37,590                    |
| Depreciation and Amortisation expenses                        | 3.1 & 3.2      | 20,126                    | 19,826                    |
| Generation, administration and other expenses                 | 3.21           | 1,10,049                  | 4,915                     |
| <b>Total expenses</b>   |                | <b>1,69,214</b>           | <b>62,752</b>             |
| <b>Loss before tax</b>  |                | <b>(1,68,341)</b>         | <b>(61,878)</b>           |
| <b>Income tax expenses</b>                                    |                |                           |                           |
| Current tax   |                | -                         | -                         |
| Deferred tax  |                | -                         | -                         |
| <b>Loss for the year (A)</b>                                  |                | <b>(1,68,341)</b>         | <b>(61,878)</b>           |
| <b>Other Comprehensive Loss</b>                               |                |                           |                           |
| Items that will not be reclassified to profit or loss         |                |                           |                           |
| Remeasurements of post-employment benefit obligations (net)   | 6              | (3)                       | (44)                      |
| <b>Other Comprehensive Loss for the year (B)</b>              |                | <b>(3)</b>                | <b>(44)</b>               |
| <b>Total Comprehensive Loss for the year (A+B)</b>            |                | <b>(1,68,344)</b>         | <b>(61,922)</b>           |
| <b>Earnings per equity share: (Face value of Rs. 10 each)</b> | <b>9</b>       |                           |                           |
| -Basic (Rupees)   |                | (1,708.26)                | (4,148.38)                |
| -Diluted (Rupees)   |                | (1,708.26)                | (414.84)                  |
| <b>Material accounting policies</b>                           | <b>2</b>       |                           |                           |
| <b>Notes to financial statements</b>                          | <b>1 to 30</b> |                           |                           |

The accompanying notes are an integral part of these financial statements

**Vidarbha Industries Power Limited**

As per our attached Report of even date

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

Chartered Accountants

Firm Registration No. 107783W/W100593

**Jigar T. Shah**

Partner

Membership No. 161851

Place: Mumbai

Date: May 22, 2024

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

**Mahoj Pongde**

Director

DIN 07728913

**Shrikant D. Kulkarni**

Director

DIN 05136399

**Mantu Kumar Ghosh**

Chief Financial Officer

Place: Mumbai

Date: May 22, 2024



Vidarbha Industries Power Limited  
Statement of changes in equity for the year ended March 31, 2024  
A. Equity Share Capital ( Refer Note no. 3.9)

As at March 31, 2024

| Particulars          | Rs in Lakhs                  |   |                              |
|----------------------|------------------------------|---|------------------------------|
|                      | Balance as at April 01, 2023 | Changes in Equity Share Capital during the current year | Balance as at March 31, 2024 |
| Equity Share Capital | 149                          | 1,342   | 1,491                        |

As at March 31, 2023

| Particulars          | Rs in Lakhs                  |                              |
|----------------------|------------------------------|------------------------------|
|                      | Balance as at April 01, 2022 | Balance as at March 31, 2023 |
| Equity Share Capital | 149                          | 149                          |

B. Other equity ( Refer note no. 3.10 & 3.11)

| Particulars   | Instrument entirely equity in nature | Reserves & Surplus                    |                    |                   | Other Reserves  | Total      |
|---|--------------------------------------|---------------------------------------|--------------------|-------------------|---|------------|
|   |                                      | Preference Shares (Refer Note 3.10.1) | Securities Premium | Retained Earnings | Capital reserve (Arisen pursuant to the scheme of amalgamation) |            |
| Balance as at April 01, 2023                                | 1,342                                | 1,47,176                              | (2,88,955)         | 11,940            | 156   | (1,28,341) |
| Loss for the year   | -                                    | -                                     | (1,68,341)         | -                 | -   | (1,68,341) |
| Conversion to equity shares                                 | (1,342)                              | -                                     | -                  | -                 | -   | (1,342)    |
| Remeasurement of post employment benefits obligation ( net) | -                                    | -                                     | -                  | -                 | (3)   | (3)        |
| Balance as at March 31, 2024                                | -                                    | 1,47,176                              | (4,57,296)         | 11,940            | 153   | (2,98,027) |
| Balance as at April 01, 2022                                | 1,342                                | 1,47,176                              | (2,27,077)         | 11,940            | 200   | (66,419)   |
| Loss for the year   | -                                    | -                                     | (61,878)           | -                 | -   | (61,878)   |
| Remeasurement of post employment benefits obligation ( net) | -                                    | -                                     | -                  | -                 | (44)  | (44)       |
| Balance as at March 31, 2023                                | 1,342                                | 1,47,176                              | (2,88,955)         | 11,940            | 156   | (1,28,341) |

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

**Vidarbha Industries Power Limited**

As per our attached Report of even date

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

Chartered Accountants

Firm Registration No. 107783W/W100593

**Jigar T. Shah**

Partner

Membership No. 161851

Place: Mumbai

Date: May 22, 2024

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

**Manoj Pongde**

Director

DIN 07728913

**Shrikant D. Kulkarni**

Director

DIN 05136399

**Manu Kumar Ghosh**

Chief Financial Officer

Place: Mumbai

Date: May 22, 2024

Vidarbha Industries Power Limited  
Cash Flow Statement for the year ended March 31, 2024

| Particulars  | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>(A) Cash flow from Operating Activities</b>                       |                              |                              |
| Net Loss before tax  | (1,68,341)                   | (61,878)                     |
| Adjusted for :   |                              |                              |
| Interest and other finance cost                                      | 38,663                       | 37,590                       |
| Depreciation and amortisation expenses                               | 20,126                       | 19,826                       |
| Loss On Sale / Discarding Of Assets                                  | 2                            | -                            |
| Provision for diminution in value of non-current investments         | 180                          | -                            |
| Provision of Interest on MSME Payable                                | 491                          | 496                          |
| Loss on revaluation of Inventory                                     | 248                          | 563                          |
| Loss / (profit) on foreign exchange fluctuation (net)                | 391                          | 2,165                        |
| Interest income  | (53)                         | (52)                         |
| Provision for gratuity and leave encashment                          | 24                           | 33                           |
| Provision for Credit Impaired- Receivables                           | 1,06,977                     | -                            |
| Liabilities written back   | (463)                        | (368)                        |
| <b>Operating Loss before working capital changes</b>                 | <b>(1,755)</b>               | <b>(1,625)</b>               |
| Changes in Working Capital:  |                              |                              |
| (Increase)/Decrease in other non current assets (Rs 26,897)          | @                            | 2                            |
| (Increase)/Decrease in trade receivables                             | 24                           | 10                           |
| (Increase)/Decrease in other current financial assets                | 1                            | 5                            |
| (Increase)/Decrease in other current assets                          | 75                           | 5                            |
| (Increase)/Decrease in Provision                                     | (17)                         | (1)                          |
| (Increase)/Decrease in inventories                                   | 4                            | (6)                          |
| Increase/ (Decrease) in trade payables                               | 1,098                        | 1,418                        |
| Increase/ (Decrease) in other current liabilities                    | (10)                         | (2)                          |
| Increase/ (Decrease) in other current financial liabilities          | 753                          | 190                          |
|  | 173                          | (3)                          |
| Taxes paid (net of refunds)  | 2                            | (1)                          |
| <b>Net cash flow generated from/(used in) operating activities</b>   | <b>175</b>                   | <b>(4)</b>                   |
| <b>(B) Cash flow from Investing Activities</b>                       |                              |                              |
| Investments in Fixed Deposit   | -                            | (66)                         |
| Proceeds from sale of investment in Government Bond                  | 13                           | -                            |
| Interest on bank and other deposits received (Rs 10,560)             | @                            | 13                           |
| <b>Net cash flow generated from / (used in) investing activities</b> | <b>13</b>                    | <b>(53)</b>                  |
| <b>(C) Cash flow from financing Activities</b>                       |                              |                              |
| Loans from Ultimate Holding Company                                  | 26                           | -                            |
| Proceeds from short term borrowings                                  | -                            | -                            |
| Interest and other finance cost paid                                 | -                            | -                            |
| <b>Net cash flow generated from / (used in) financing activities</b> | <b>26</b>                    | <b>-</b>                     |
| <b>Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>  | <b>214</b>                   | <b>(57)</b>                  |
| <b>Cash and Cash equivalents at the beginning of the year:</b>       |                              |                              |
| Bank Balance - Current Account                                       | 2                            | 2                            |
| Fixed Deposit  | -                            | 57                           |
| <b>Cash and Cash equivalents at the end of the year:</b>             |                              |                              |
| Bank Balance - Current Account                                       | 216                          | 2                            |
| Fixed Deposit  | -                            | -                            |

**Notes**

- The accompanying notes are an integral part of these financial statements
- Refer Note no 19. -Disclosure pursuant to Para 44A to E of Ind AS 7 – Statement of Cash Flows
- @ Amount is below the rounding off norm adopted by the company

**Vidarbha Industries Power Limited**

As per our attached Report of even date

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

Chartered Accountants

Firm Registration No. 107783W/W100593

**Jigar T. Shah**

Partner

Membership No. 161851

Place: Mumbai

Date: May 22, 2024

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

**Mañoj Pongde**

Director

DIN 07728913

**Shrikant D. Kulkarni**

Director

DIN 05136399

**Mantu Kumar Ghosh**

Chief Financial Officer

Place: Mumbai

Date: May 22, 2024

## Vidarbha Industries Power Limited

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

#### 1) General information

Vidarbha Industries Power Limited ("the Company") became the subsidiary of Rosa Power Supply Company Limited (w.e.f August 17, 2023). The Company has been set up as a special purpose vehicle to develop and operate 600 (300X2) megawatt coal-based power project at Butibori Industrial area near Nagpur, Maharashtra.

The registered office of the Company is located at Reliance Centre, Ground Floor, 19 Walchand Hirachand Marg, Ballard Estate, Mumbai, Maharashtra – 400 001.

These financial statements were authorized for issue by the board of directors on May 22, 2024.

#### 2) Material accounting policies and critical accounting estimates and judgments:

##### 2.1 Basis of preparation, measurement and material accounting policies

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

##### (a) Basis of preparation

###### Compliance with Ind AS

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

###### Functional and presentation currency

The financial statements are presented in 'Indian Rupees', which is the Company's functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

###### Historical cost convention

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

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

###### Fair value measurement

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

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

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

###### Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis". 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. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(b) Property, plant and equipment (PPE):**

Items of property, plant and equipment are stated at cost which includes capitalized borrowing cost, less depreciation and impairment loss, if any. 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 statement profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

**Depreciation methods, estimated useful lives and residual value:**

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

| Particulars                         | Estimated useful lives |
|-------------------------------------|------------------------|
| Buildings                           | 60 years               |
| Motor vehicles                      | 8 years                |
| Office Equipment                    | 5 Years                |
| Computers and Data processing units | 3-6 Years              |
| Furniture & Fixtures                | 10 Years               |
| Plant & Equipment                   | 15 Years               |

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

**(c) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

**Amortization**

Amortization is charged on a straight-line basis over estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted on a prospective basis.

Computer software is amortized over an estimated useful life of 3 years. Intangible assets include expenditure incurred for laying pipeline towards additional water supply and water supply rights. As the pipeline is estimated to be used over the life of the project, the cost incurred towards right is amortized over the term of the power purchase agreement.

**(d) Leases****The Company is the lessee**

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

**(e) Impairment of non-financial assets**

Assets which are subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(f) Trade Receivable**

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

**(g) Financial Instruments**

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

The classification depends on the Company'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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from other equity to profit or loss and recognized 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 amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in the statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**iii. Impairment of financial assets**

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv. Derecognition of financial assets**

A financial asset is derecognised only when:

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

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

**v. Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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. Other interest income is recognised on time proportion basis/ accrual basis.

**Dividend**

Dividends are recognised in the statement of profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**vi. Offsetting Financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(i) Financial liabilities**

**i. Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.



**ii. Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**iii. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Borrowings:** Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized 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 recognized 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 capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

**Trade and other payable:** Trade and other payable 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 other payables are subsequently measured at amortized cost using the effective interest method.

**iv. Derecognition**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in 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.

**(j) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**(k) Provisions, Contingent Liabilities and Contingent Assets**

**Provisions:**

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present

**Vidarbha Industries Power Limited**

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

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 recognized as interest expense.

**Contingent liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

**Contingent Assets:**

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

**(l) Foreign currency translations**

**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (Rs.), which is the Company's functional and the Company's presentation currency. All amounts are rounded off to the nearest lakhs unless otherwise stated.

**ii. Transactions and balances**

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on restatement or settlement of long-term foreign currency monetary items, the Company has availed the option available in Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:
  - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
  - In other cases, foreign exchange difference is accumulated in "foreign currency monetary item translation difference account" and amortized over the balance period of such long - term asset / liabilities.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually affected.

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

The company derives revenue primarily from sale of energy to Adani Electricity Mumbai Limited (AEML). Effective April 1, 2018 the Company has applied Ind AS 115 – "Revenue from Contracts with Customers", which establishes a comprehensive framework for determining whether, how and when revenue is to be recognized. The Company recognizes revenue when it transfers control over a product or service to a customer.

The Company recognizes revenue when the amount of revenue can be reliably measured at fair value of consideration received or receivable, 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 estimate on historical results, taking into consideration the type of transactions and specifics of each arrangement.

**i. Sale of energy**

Revenue from sale of energy is recognized on an accrual basis as per the tariff rates approved by Maharashtra Electricity Regulatory Commission (MERC) in accordance with the provisions of Power Purchase Agreement (PPA) with Adani Electricity Mumbai Limited with effect from August 29, 2018, which was earlier with Reliance Infrastructure Limited (Rinfra). Further, revenue is also recognized towards truing up of fixed charges and fuel adjustment charges as per the applicable MERC (Multi year tariff) Regulations. (Refer note no. 21)

**ii. Late payment surcharge**

The surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurement or collectability exists.

**(n) Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.
- Superannuation fund

**Gratuity obligations**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in (Rupees) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Superannuation fund**

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Nippon Life Insurance Company Limited.

**(o) Income 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. 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 method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, there is no Current tax or deferred tax, respectively.

**(p) Cash and cash equivalents**

Cash and cash equivalents include 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.

**(q) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit or loss 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.

**(r) Statement of Cash flows**

Cash flows are reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(s) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Chief Financial Officer that makes strategic decisions.

**(t) Inventories**

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

In case of coal stock, the measured stock is based on a verification process adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss.

**2.2 Critical accounting estimates and judgments**

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

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

**(a) Useful lives of PPE and intangible assets**

The Company has independently estimated the useful life and method of depreciation of power plant and other 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 life / residual value 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 the PPE. (Refer note 3.1 and 3.2).

**(b) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

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

**(c) Defined benefit obligations**

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

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. (Refer note no 6)

**(d) Income taxes**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Refer note no 10)

**(e) Deferred tax**

The Company has deferred tax assets and liabilities which are expected to be realized through the Statement of Profit and Loss over the extended periods of time in the future. In calculating the deferred tax items, the Company is required to make certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax bases. Assumptions made include the expectation that future operating performance

**Vidarbha Industries Power Limited**

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

will be consistent with historical levels of operating results, recoverability periods for tax loss carry forwards will not change, and that existing tax laws and rates will remain unchanged into foreseeable future. (Refer Note 10)

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

According to management's estimate, MAT credit balances may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on these balances.

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

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. (Refer Note no 11)

**(g) Standard issued but not effective**

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.

## 3.1 Property, plant and equipment

| Particulars                                   | Freehold land | Leasehold land | Transmission line land | Railway siding | Transmission line | Buildings | Plant and machinery | Furniture & fixtures | Motor Vehicles | Office equipment | Computers | Rs in Lakhs<br>Total |
|---|---------------|----------------|------------------------|----------------|-------------------|-----------|---------------------|----------------------|----------------|------------------|-----------|----------------------|
| Carrying amount as at April 01, 2022          | 8,262         | 13,862         | 820                    | 15,290         | 1,400             | 25,332    | 1,93,064            | 76                   | 81             | 97               | 66        | 2,58,350             |
| Additions during the year                     | -             | -              | -                      | -              | -                 | -         | -                   | -                    | -              | -                | -         | -                    |
| Deletion/Discarded during the year            | -             | -              | -                      | -              | -                 | -         | -                   | -                    | -              | -                | -         | -                    |
| Carrying amount as at March 31, 2023          | 8,262         | 13,862         | 820                    | 15,290         | 1,400             | 25,332    | 1,93,064            | 76                   | 81             | 97               | 66        | 2,58,350             |
| Accumulated Depreciation as at April 01, 2022 | -             | 968            | 56                     | 2,481          | 252               | 2,548     | 33,318              | 16                   | 23             | 23               | 47        | 38,732               |
| Depreciation for the year                     | -             | 484            | 28                     | 1,240          | 125               | 1,258     | 16,591              | 3                    | 12             | 9                | 6         | 19,757               |
| Deletion/Discarded during the year            | -             | -              | -                      | -              | -                 | -         | -                   | -                    | -              | -                | -         | -                    |
| Balance as at March 31, 2023                  | -             | 1,452          | 84                     | 3,721          | 373               | 3,806     | 49,909              | 19                   | 35             | 32               | 53        | 59,489               |
| Carrying amount as at April 01, 2023          | 8,262         | 13,862         | 820                    | 15,290         | 1,400             | 25,332    | 1,93,064            | 76                   | 81             | 97               | 66        | 2,58,350             |
| Additions during the year                     | -             | -              | -                      | -              | -                 | -         | -                   | -                    | -              | -                | -         | -                    |
| Deletion/Discarded during the year            | -             | -              | -                      | -              | -                 | -         | @                   | -                    | 9              | 2                | 3         | 14                   |
| Carrying amount as at March 31, 2024          | 8,262         | 13,862         | 820                    | 15,290         | 1,400             | 25,332    | 1,93,064            | 75                   | 72             | 95               | 63        | 2,58,336             |
| Accumulated Depreciation as at April 01, 2023 | -             | 1,452          | 84                     | 3,722          | 373               | 3,806     | 49,909              | 19                   | 35             | 32               | 53        | 59,490               |
| Depreciation for the year                     | -             | 484            | 28                     | 1,240          | 125               | 1,258     | 16,564              | 33                   | 11             | 13               | @         | 20,057               |
| Deletion/Discarded during the year            | -             | -              | -                      | -              | -                 | -         | @                   | -                    | 6              | 1                | 3         | 10                   |
| Balance as at March 31, 2024                  | -             | 1,936          | 112                    | 4,962          | 504               | 5,064     | 66,773              | 52                   | 40             | 44               | 50        | 79,537               |
| Net Carrying Amount                           |               |                |                        |                |                   |           |                     |                      |                |                  |           |                      |
| Balance as at March 31, 2023                  | 8,262         | 12,410         | 736                    | 11,569         | 1,022             | 21,528    | 1,43,155            | 57                   | 46             | 65               | 13        | 1,88,861             |
| Balance as at March 31, 2024                  | 8,262         | 11,926         | 708                    | 10,328         | 895               | 20,268    | 1,26,291            | 24                   | 32             | 51               | 13        | 1,78,799             |

## Notes:

1) Out of above Property, Plant and Equipment of Rs. 178,799 lakhs (March 31, 2023: 198,861 lakhs) has been pledged as security (Refer note 7).

2) @ Amount is below the rounding off norm adopted by the company

Vidarbha Industries Power Limited

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

3.2 Intangible assets

| Particulars                                   | Water Supply Rights | Computer Software | Rs in Lakhs |
|---|---------------------|-------------------|-------------|
|   |                     |                   | Total       |
| Carrying amount as at April 01, 2022          | 1,264               | 35                | 1,299       |
| Additions during the year                     | -                   | -                 | -           |
| Deductions during the year                    | -                   | -                 | -           |
| Carrying amount as at March 31, 2023          | 1,264               | 35                | 1,299       |
| Accumulated amortisation as at April 01, 2022 | 667                 | 25                | 692         |
| For the year                                  | 66                  | 3                 | 69          |
| Balance as at March 31, 2023                  | 733                 | 28                | 761         |
| Carrying amount as at April 01, 2023          | 1,264               | 35                | 1,299       |
| Additions during the year                     | -                   | -                 | -           |
| Deductions during the year                    | -                   | -                 | -           |
| Carrying amount as at March 31, 2024          | 1,264               | 35                | 1,299       |
| Accumulated amortisation as at April 01, 2023 | 733                 | 28                | 761         |
| Amortization For the year                     | 66                  | 3                 | 69          |
| Balance as at March 31, 2024                  | 799                 | 31                | 830         |
| <b>Net Carrying Amount</b>                    |                     |                   |             |
| Balance as at March 31, 2023                  | 531                 | 7                 | 538         |
| Balance as at March 31, 2024                  | 465                 | 4                 | 469         |

Note:

- 1) Intangible assets are other than internally generated.
- 2) All Intangible Assets are pledged as security



Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

|   | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|---|-------------------------|--|
| <b>Non-current Financial assets</b>   |                         |  |
| <b>3.3(a) Investments</b>   |                         |  |
| <b>A Equity share (unquoted, fully paid-up)</b>   |                         |  |
| <b>In joint venture (Refer note 8 G) (valued at cost)</b>   |                         |  |
| 2,500 (March 31, 2023: 2,500) equity shares of Reliance Neo Energies Private Limited (Formerly known as Reliance Geothermal Power Private Limited) (Face value of Rs.10 each), Rs 25,000 (Previous year- Rs 25,000)   | @                       | @                                      |
| Less: Provision for diminution in the value of Investment in Reliance Neo Energies Private Limited - Rs 25,000  | (@)                     | -                                      |
|   |                         | @                                      |
| <b>B Preference shares (Unquoted, fully paid up, )<sup>1</sup></b>  |                         |  |
| <b>In fellow subsidiary (Refer note 8 G) (valued at cost)</b>   |                         |  |
| 1,082,000 (March 31, 2023: 1,082,000) preference shares in Siyom Hydro Power Private Limited (Face value of Rs. 1 each))  | 5,548                   | 5,548                                  |
| Less: Provision for diminution in the value of Investment in Siyom Hydro Power Private Limited <sup>2</sup>   | (5,542)                 | (5,366)                                |
|   | 6                       | 182                                    |
| <b>C Government Bond (Quoted) (Fair value through Profit &amp; Loss account)</b>  |                         |  |
| 14,000 (March 31, 2023: 14,000) 9.33% Government Bond of Rajasthan Government (Face value of Rs. 100 each)  | -                       | 16                                     |
| 7,000 (March 31, 2023: 7,000) 8.22% Government Bond of Tamilnadu Government (Face value of Rs. 100 each)  | 7                       | 8                                      |
| 6,800 (March 31, 2023: 6800) 7.48% Government Bond of West Bengal SDL 2037 (Face value of Rs. 100 each)   | 7                       | 7                                      |
| 6,800 (March 31, 2023: 6800) 7.10% Government Bond of Maharashtra SDL 2036 (Face value of Rs. 100 each)   | 7                       | 7                                      |
|   | 27                      | 220                                    |
| @ Amount is below the rounding off norm adopted by the company  |                         |  |
| Aggregate book value of unquoted investments  | 6                       | 182                                    |
| Aggregate book value of quoted investments  | 21                      | 36                                     |
| Aggregate value of impairment in value of investment  | 5,542                   | 5,366                                  |
| Market value of quoted Investments  | 21                      | 36                                     |
| <b><sup>1</sup>7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>  |                         |  |
| As per terms and conditions of the Investment made in preference shares, the issuer company shall have a call option on the CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the share holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each preference share shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the Issuer companies declare dividend on their equity shares, the CCRPS will also be entitled to the equity dividend in addition to the coupon rate of dividend. |                         |  |
| <sup>2</sup> During the year, the Company impaired its investment in Preference shares of Siyom Hydro Power Private Limited by Rs 176 lakhs based on the valuation report obtained by the Company.  |                         |  |
| <b>3.3 (b) Non-current loans</b>  |                         |  |
| (Unsecured, considered good)  |                         |  |
| Subordinate debt given  | 750                     | 750                                    |
| (Subordinate debt is repayable in 30 years commencing from June 13, 2014 and carries an interest rate of 6% per annum)  |                         |  |
|   | 750                     | 750                                    |
| <b>3.3(c) Other Non Current financial assets</b>  |                         |  |
| Term deposits with maturity of more than twelve months  | 66                      | 66                                     |
|   | 66                      | 66                                     |
| <b>3.4 Non-current tax assets</b>   |                         |  |
| Tax Deducted at Source  | 12                      | 14                                     |
|   | 12                      | 14                                     |
| <b>3.5 Other non-current assets</b>   |                         |  |
| (Unsecured, considered good)  |                         |  |
| Capital advances  | 187                     | 187                                    |
| Security deposits   | 15                      | 15                                     |
|   | 202                     | 202                                    |
| <b>Current Assets</b>   |                         |  |
| <b>3.6 Inventories</b>  |                         |  |
| Fuel  | 1,806                   | 2,054                                  |
| Stores and spares   | 4,472                   | 4,474                                  |
| (As certified by the Management)  |                         |  |
|   | 6,277                   | 6,528                                  |
| (Inventories are valued at lower of cost and net realisable value)  |                         |  |

Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

Current Financial assets

3.7(a) Trade receivables

|                                     | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|-------------------------------------|-------------------------|--|
| Trade receivables (Unsecured)       |                         |  |
| Considered good*                    | 77                      | 107,078                                |
| Credit Impaired (refer note 29)     | 1,06,977                | -                                      |
|                                     | 1,07,054                | 107,078                                |
| Less: Provision for Credit Impaired | (1,06,977)              | -                                      |
|                                     | 77                      | 107,078                                |

\*Includes amount receivables from related party (Refer Note 8F(ii))

|   | Rs in Lakhs<br>Outstanding for following periods from due date of payment as at<br>31.03.2024 |                         |                |                |                 |                 |
|---|---|-------------------------|----------------|----------------|-----------------|-----------------|
| Particulars   | < 6<br>months   | 6 months<br>- 1<br>year | 1 - 2<br>years | 2 - 3<br>years | > 3<br>years    | Total           |
| (i) Undisputed Trade receivables -- considered good                                 | 77  | -                       | -              | -              | -               | 77              |
| (ii) Undisputed Trade Receivables -- which have significant increase in credit risk | -   | -                       | -              | -              | -               | -               |
| (iii) Undisputed Trade Receivables -- credit impaired                               | -   | -                       | -              | -              | -               | -               |
| (iv) Disputed Trade Receivables considered good                                     | -   | -                       | -              | -              | -               | -               |
| (v) Disputed Trade Receivables - which have significant increase in credit risk     | -   | -                       | -              | -              | -               | -               |
| (vi) Disputed Trade Receivables -- credit impaired                                  | -   | -                       | -              | -              | 1,06,977        | 1,06,977        |
| <b>Total</b>  | <b>77</b>   | <b>-</b>                | <b>-</b>       | <b>-</b>       | <b>1,06,977</b> | <b>1,07,054</b> |
| Provision for Credit Impaired   | -   | -                       | -              | -              | (1,06,977)      | (1,06,977)      |
| <b>Net Receivable</b>   | <b>77</b>   | <b>-</b>                | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>77</b>       |

|   | Rs in Lakhs<br>Outstanding for following periods from due date of payment as at<br>31.03.2023 |                         |                |                |                 |                 |
|---|---|-------------------------|----------------|----------------|-----------------|-----------------|
| Particulars   | < 6<br>months   | 6 months -<br>1<br>year | 1 - 2<br>years | 2 - 3<br>years | > 3<br>years    | Total           |
| (i) Undisputed Trade receivables -- considered good                                 | 99  | -                       | -              | -              | -               | 99              |
| (ii) Undisputed Trade Receivables -- which have significant increase in credit risk | -   | -                       | -              | -              | -               | -               |
| (iii) Undisputed Trade Receivables -- credit impaired                               | -   | -                       | -              | -              | -               | -               |
| (iv) Disputed Trade Receivables considered good                                     | -   | -                       | -              | -              | 1,06,979        | 1,06,979        |
| (v) Disputed Trade Receivables - which have significant increase in credit risk     | -   | -                       | -              | -              | -               | -               |
| (vi) Disputed Trade Receivables -- credit impaired                                  | -   | -                       | -              | -              | -               | -               |
| <b>Total</b>  | <b>99</b>   | <b>-</b>                | <b>-</b>       | <b>-</b>       | <b>1,06,979</b> | <b>1,07,078</b> |
| Provision for Credit Impaired   | -   | -                       | -              | -              | -               | -               |
| <b>Net Receivable</b>   | <b>99</b>   | <b>-</b>                | <b>-</b>       | <b>-</b>       | <b>1,06,979</b> | <b>1,07,078</b> |

Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

|   | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|---|-------------------------|--|
| <b>3.7(b) Cash and cash equivalents</b> |                         |  |
| Balance with banks                      |                         |  |
| In current account                      | 216                     | 2                                      |
|   | <u>216</u>              | <u>2</u>                               |
| <b>3.7(c) Other financial assets</b>    |                         |  |
| (Unsecured, considered good)            |                         |  |
| Interest accrued- Others (Rs 38,079 )   | @                       | 1                                      |
| Interest accrued on Fixed Deposits      | 7                       | 3                                      |
|   | <u>7</u>                | <u>4</u>                               |
| <b>3.8 Other current assets</b>         |                         |  |
| (Unsecured, considered good)            |                         |  |
| Prepaid expenses                        | -                       | 75                                     |
| Advance to vendors                      | 769                     | 769                                    |
| Security deposits                       | 285                     | 286                                    |
|   | <u>1,064</u>            | <u>1,130</u>                           |

Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

|   | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|---|-------------------------|--|
| <b>3.9 Equity Share capital</b>   |                         |  |
| <b>Authorised share capital</b>   |                         |  |
| 15,00,00,000 (March 31, 2023: 15,00,00,000) equity shares of Rs.10 each   | 15,000                  | 15,000                                 |
|   | 15,000                  | 15,000                                 |
| <b>Issued, subscribed and fully paid up share capital</b>   |                         |  |
| 149,16,260 (March 31, 2023: 14,91,626) equity shares of Rs.10 each  | 1,491                   | 149                                    |
|   | 1,491                   | 149                                    |
| <b>3.9.1 Reconciliation of number of equity shares</b>  |                         |  |
| Balance at the beginning of the year - 14,91,626 (March 31, 2023: 14,91,626) equity shares of Rs. 10 each                                       | 149                     | 149                                    |
| Add: Issued during the year - 1,34,24,634 ( March 31, 2023: NIL ) Preference shares of Rs 10 each converted into equity shares during the year. | 1,342                   | -                                      |
| Balance at the end of the year - 1,49,16,260 (March 31, 2023: 14,91,626) equity shares of Rs. 10 each   | 1,491                   | 149                                    |

**3.9.2 Terms / rights attached to equity shares**

The Company has only one class of equity shares having face 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.

**3.9.3 Details of equity 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        | Percentage of shareholding | No. of Shares        | Percentage of shareholding |
| <b>Equity Shares</b>   |                      |                            |                      |                            |
| Reliance Power Limited - 11,26,656 (March 31, 2023: 11,26,656) shares of Rs. 10 each   | 11,26,656            | 8%                         | 11,26,656            | 76%                        |
| Rosa Power Supply Company Limited (subsidiary of Reliance Power Limited) - 1,37,89,604 (March 31, 2023: 3,64,970) equity shares of Rs. 10 each | 1,37,89,604          | 92%                        | 3,64,970             | 24%                        |
|  | 1,49,16,260          | 100%                       | 14,91,626            | 100%                       |

**3.9.4 Disclosure of shareholding of Promoters as at March 31, 2024 is as follows:**

| Name of Promoter                  | As at March 31, 2024 |                   | As at March 31, 2023 |                   | % change        |
|-----------------------------------|----------------------|-------------------|----------------------|-------------------|-----------------|
|                                   | No. of Shares        | % of Shareholding | No. of shares        | % of shareholding | during the year |
| Reliance Power Limited            | 11,26,656            | 8%                | 11,26,656            | 76%               | (68)            |
| Rosa Power Supply Company Limited | 1,37,89,604          | 92%               | 3,64,970             | 24%               | 68              |
| <b>Total</b>                      | <b>1,49,16,260</b>   | <b>100%</b>       | <b>14,91,626</b>     | <b>100%</b>       | <b>-</b>        |

| Name of Promoter                  | As at March 31, 2023 |                   | As at March 31, 2022 |                   | % change        |
|-----------------------------------|----------------------|-------------------|----------------------|-------------------|-----------------|
|                                   | No. of Shares        | % of Shareholding | No. of shares        | % of shareholding | during the year |
| Reliance Power Limited            | 11,26,656            | 76%               | 11,26,656            | 76%               | -               |
| Rosa Power Supply Company Limited | 3,64,970             | 24%               | 3,64,970             | 24%               | -               |
| <b>Total</b>                      | <b>14,91,626</b>     | <b>100%</b>       | <b>14,91,626</b>     | <b>100%</b>       | <b>-</b>        |

## Other Equity

## 3.10 Instrument entirely equity in nature

## Authorised share capital

85,00,00,000 (March 31, 2023: 85,00,00,000) preference shares of Rs.10 each

| Rs In Lakhs             |                         |
|-------------------------|-------------------------|
| As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| 85,000                  | 85,000                  |
| 85,000                  | 85,000                  |

## Preference Share Capital

## Issued, subscribed and fully paid up

1,34,24,634 (March 31, 2023: 13,424,634) preference shares of Rs.10 each

Less: 1,34,24,634 (March 31, 2023: NIL) Preference shares of Rs 10 each converted into equity shares

|         |       |
|---------|-------|
| 1,342   | 1,342 |
| (1,342) | -     |
| -       | 1,342 |

## 3.10.1 Reconciliation of number of shares - subscribed and fully paid up

## Preference shares

Balance at the beginning of the year - 1,34,24,634 (March 31, 2023: 1,34,24,634) preference shares of Rs. 10 each

Loss: 1,34,24,634 (March 31, 2023: NIL) Preference shares of Rs 10 each converted into equity shares

Balance at the end of the year - NIL (March 31, 2023: 1,34,24,634) preference shares of Rs. 10 each

| As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|
| 1,342                   | 1,342                   |
| (1,342)                 | -                       |
| -                       | 1,342                   |

## 3.10.2 Terms / rights attached to shares

## 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

Pursuant to the terms of issue, the Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the CCRPS holders have not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative. During the year, the Preference Share holder exercised its option to convert the CCRPS of the Company into equity shares.

## 3.10.3 Details of preference shares held by shareholders holding more than 5% of the aggregate shares in the company

|  | As at<br>March 31, 2024 |                               | As at<br>March 31, 2023 |                               |
|--|-------------------------|-------------------------------|-------------------------|-------------------------------|
|  | No. of Shares           | Percentage of<br>shareholding | No. of Shares           | Percentage of<br>shareholding |
| Preference Shares  |                         |                               |                         |                               |
| Reliance Power Limited   | -                       | -                             | 94,04,432               | 70%                           |
| Rosa Power Supply Company Limited (subsidiary of Reliance Power Limited) | -                       | -                             | 40,20,202               | 30%                           |
|  | -                       | -                             | 1,34,24,634             | 100%                          |

## 3.10.4 Disclosure of shareholding of Promoters is as follows:

| Name of Promotor                  | As at March 31, 2024 |                               | As at March 31, 2023 |                               | % change<br>during the year |
|-----------------------------------|----------------------|-------------------------------|----------------------|-------------------------------|-----------------------------|
|                                   | No. of Shares        | Percentage of<br>shareholding | No. of Shares        | Percentage of<br>shareholding |                             |
| Reliance Power Limited            | -                    | -                             | 94,04,432            | 70%                           | 100%                        |
| Rosa Power Supply Company Limited | -                    | -                             | 40,20,202            | 30%                           | 100%                        |
| Total                             | -                    | -                             | 1,34,24,634          | 100%                          | 100%                        |

| Name of Promoter                  | As at March 31, 2023 |                               | As at March 31, 2022 |                               | % change<br>during the year |
|-----------------------------------|----------------------|-------------------------------|----------------------|-------------------------------|-----------------------------|
|                                   | No. of Shares        | Percentage of<br>shareholding | No. of Shares        | Percentage of<br>shareholding |                             |
| Reliance Power Limited            | 94,04,432            | 70%                           | 94,04,432            | 70%                           | -                           |
| Rosa Power Supply Company Limited | 40,20,202            | 30%                           | 40,20,202            | 30%                           | -                           |
| Total                             | 1,34,24,634          | 100%                          | 1,34,24,634          | 100%                          | -                           |

|  | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|--|-------------------------|--|
| <b>3.11 Reserves and surplus &amp; Other Reserves</b>                              |                         |  |
| Balance at the end of the year   |                         |  |
| 3.11.1 Capital reserve   | 11,940                  | 11,940                                 |
| 3.11.2 Securities premium  | 1,47,176                | 1,47,176                               |
| 3.11.3 Retained earnings   | (4,67,296)              | (2,68,955)                             |
| 3.11.4 Other Comprehensive Income  | 156                     | 156                                    |
| Total  | (2,98,027)              | (1,29,683)                             |
| 3.11.1 Capital reserve (arisen pursuant to scheme of amalgamation) (Refer note 15) | 11,940                  | 11,940                                 |
| 3.11.2 Securities premium  | 1,47,176                | 1,47,176                               |
| 3.11.3 Retained earnings   |                         |  |
| Balance at the beginning of the year   | (2,68,955)              | (2,27,077)                             |
| Loss for the year  | (1,68,341)              | (61,678)                               |
| Balance at the end of the year   | (4,67,296)              | (2,68,955)                             |
| 3.11.4 Other Comprehensive Income  |                         |  |
| Remeasurements of post-employment benefit obligations                              |                         |  |
| Balance at the beginning of the year   | 156                     | 200                                    |
| Add/ (Less): Gains/Loss during the year  | (3)                     | (44)                                   |
| Balance at the end of the year   | 156                     | 156                                    |
|  | (2,98,027)              | (1,29,683)                             |

**Nature and purpose of other reserves:**

**a) Capital reserve**

The capital reserve of Rs. 11,940 lakhs had arisen pursuant to the Scheme of Amalgamation (Scheme) sanctioned by the Hon'ble High Court of Bombay vide order dated March 15, 2013, Reliance Fuel Resources Limited (RFRL), a fellow subsidiary was amalgamated into the Company with the appointed date being January 1, 2013.

**b) Securities premium**

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

**c) Other Comprehensive Income**

Remeasurements of post-employment benefit obligations (net)

**Non-current liabilities**

**3.12 Non-current provisions**

|                                       |     |     |
|---------------------------------------|-----|-----|
| Provision for gratuity (Refer note 6) | 77  | 87  |
| Provision for leave encashment        | 34  | 47  |
|                                       | 111 | 134 |

**Vidarbha Industries Power Limited**  
**Notes to the financial statements for the year ended March 31, 2024 (Continued)**

|   | As at<br>March 31, 2024 | Rs in Lakhs<br>As at<br>March 31, 2023 |
|---|-------------------------|--|
| <b>Current financial liabilities</b>                                  |                         |  |
| <b>3.13 Borrowings</b>  |                         |  |
| <b>Secured</b>  |                         |  |
| Working Capital Loans   | 54,468                  | 54,468                                 |
| Current maturities of long-term borrowings                            | 2,23,665                | 2,22,700                               |
| <b>Unsecured</b>  |                         |  |
| <b>(Repayable on demand - at amortised cost)</b>                      |                         |  |
| Loans and advances from Related Party ( Refer note 8F (i))            | 462                     | 1,354                                  |
| Inter Corporate deposit taken from Related Party (Refer note 8F (ii)) | 3,752                   | 2,828                                  |
|   | <b>2,82,347</b>         | <b>2,81,350</b>                        |

**3.13(a) Nature of Security**

- (i) Rupee loans from banks of Rs. 181,986 lakhs (March 31, 2023: Rs.181,986 lakhs) is secured by first charge on all the immovable and movable assets and Intangible asset of the Company on a pari passu basis with foreign currency loan and working capital and pledge of 7,60,730 no of equity shares of the Company.
- (ii) Rupee loans from bank of Rs 19,346 lakhs (March 31, 2023: Rs. 19,346 lakhs) is secured by pledge of 3,43,074 no of equity shares of the Company.
- (iii) Working Capital facility outstanding balance as at the year end of Rs 54,468 lakhs ( Rs 54,468 lakhs as on March,31 2023) which are repayable on demand is secured pari passu along with term loan lenders by first charge on all the immovable and movable assets and intangible assets of the Company on a pari passu basis and pledge of 7,60,730 no of equity shares of the Company.
- (iv) Lenders have not renewed the facility as interest and principle payment is overdue, accordingly stock statement is not submitted and it will be complied upon renewal / resolution.
- (v) Foreign Currency Loans from bank of Rs. 22,332 lakhs (March 31, 2023: Rs. 22,022 lakhs ) is secured by first charge on all the immovable and movable assets of the Company on pari passu basis with rupee loans and working capital and pledge of 7,60,730 no of equity shares of the Company.
- (vi) The Ultimate Holding Company has given financial commitments / guarantee to the lenders of the Company for term loan

**3.13(b) Terms of repayment & Rate of Interest**

During the year ended March 31, 2024 the lenders of the Company has assigned all rupee term loans/ Debts to CFM Assets Reconstruction Private Limited (CFMARC) along with all rights , titles, securities, guarantees , obligations and undertakings (Refer note 21).

The Company alongwith Reliance Power Limited (Ultimate Holding Company) received loan recall cum invocation notice of corporate gurantee from CFMARC for repayment of their outstanding loans, hence long term borrowings have been classified under current maturities under the head current borrowings.

At the end of the reporting period interest on loan is ranging from LIBOR plus 4.60% to 14.80% p.a.

Inter corporate deposits and loans and advances received from Related Party are interest free.

Vidarbha Industries Power Limited

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

Current Financial liabilities

3.14 (a) Trade Payables

|   | Rs in Lakhs             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 16)                       | 2,422                   | 2,424                   |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 8F) | 12,487                  | 11,435                  |
| Total   | 14,909                  | 13,859                  |

|                             | Rs in Lakhs   |             |             |           |        |
|-----------------------------|---|-------------|-------------|-----------|--------|
| Particulars                 | Outstanding as at March 31, 2024 for following periods from due date of payment |             |             |           |        |
|                             | < 1 year  | 1 - 2 years | 2 - 3 years | > 3 years | Total  |
| (i) MSME                    | -   | -           | 55          | 2,162     | 2,217  |
| (ii) Others                 | 1,351   | 1,350       | 2,139       | 7,647     | 12,487 |
| (iii) Disputed dues - MSME  | -   | -           | -           | 205       | 205    |
| (iv) Disputed dues - Others | -   | -           | -           | -         | -      |
| Total                       | 1,351   | 1,350       | 2,194       | 10,014    | 14,909 |

|                             | Rs in Lakhs   |             |             |           |        |
|-----------------------------|---|-------------|-------------|-----------|--------|
| Particulars                 | Outstanding as at March 31, 2023 for following periods from due date of payment |             |             |           |        |
|                             | < 1 year  | 1 - 2 years | 2 - 3 years | > 3 years | Total  |
| (i) MSME                    | 2   | 55          | 31          | 2,131     | 2,219  |
| (ii) Others                 | 1,764   | 1,752       | -           | 7,919     | 11,435 |
| (iii) Disputed dues - MSME  | -   | -           | 1           | 204       | 205    |
| (iv) Disputed dues - Others | -   | -           | -           | -         | -      |
| Total                       | 1,766   | 1,807       | 32          | 10,254    | 13,859 |



Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

|   |  | Rs in Lakhs     |                 |
|---|--|-----------------|-----------------|
|   |  | As at           | As at           |
|   |  | March 31, 2024  | March 31, 2023  |
| <b>3.14(b) Other financial liabilities</b>  |  |                 |                 |
| Interest accrued and due on borrowings  |  | 1,81,370        | 1,43,363        |
| Security deposits received  |  | 2               | 2               |
| Creditors for capital expenditure   |  | 1,066           | 1,422           |
| Retention money payable   |  | 699             | 693             |
| Interest accrued and due of micro enterprises and small enterprises               |  | 2,030           | 1,539           |
| Others*   |  | 1,823           | 1,111           |
| *(Includes Gram panchayat tax, Salary payable, and electricity expense provision) |  |                 |                 |
|   |  | <b>1,86,990</b> | <b>1,48,130</b> |
| <b>3.15 Other current liabilities</b>   |  |                 |                 |
| Other Liabilities ( Includes statutory dues)                                      |  | 21              | 31              |
|   |  | <b>21</b>       | <b>31</b>       |
| <b>3.16 Provisions</b>  |  |                 |                 |
| Provision for gratuity (Refer note 6)   |  | 90              | 59              |
| Provision for leave encashment  |  | 24              | 22              |
|   |  | <b>114</b>      | <b>81</b>       |

Vidarbha Industries Power Limited

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

|  | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>3.17 Revenue from operations</b>                            |                              |                              |
| Sale of energy   | 357                          | 454                          |
|  | <u>357</u>                   | <u>454</u>                   |
| <b>3.18 Other income</b>                                       |                              |                              |
| Interest Income:   |                              |                              |
| On Bank deposits   | 4                            | 4                            |
| On Income tax refund   | 1                            | 1                            |
| Others   | 48                           | 47                           |
| Liabilities written back                                       | 463                          | 368                          |
|  | <u>516</u>                   | <u>420</u>                   |
| <b>3.19 Employee benefit expense</b>                           |                              |                              |
| Salaries, bonus and other allowances                           | 334                          | 370                          |
| Contribution to provident fund and other funds (Refer note 6)  | 18                           | 18                           |
| Gratuity and leave encashment (Refer note 6)                   | 24                           | 33                           |
|  | <u>376</u>                   | <u>421</u>                   |
| <b>3.20 Finance cost</b>                                       |                              |                              |
| Interest on:   |                              |                              |
| -Rupee term loans  | 29,109                       | 29,061                       |
| -Foreign currency loans  | 1,607                        | 1,577                        |
| -Working capital loans   | 6,992                        | 6,952                        |
| Other finance charges  | 955                          | -                            |
|  | <u>38,663</u>                | <u>37,590</u>                |
| <b>3.21 Generation, administration and other expenses</b>      |                              |                              |
| Stores and spares consumed                                     | 7                            | 2                            |
| Rent expenses  | 23                           | 23                           |
| Repairs and maintenance:                                       |                              |                              |
| -Plant and Machinery   | 53                           | 91                           |
| -Others  | 6                            | 11                           |
| Legal and professional charges                                 | 47                           | 127                          |
| Provision of Interest on MSME vendors                          | 491                          | 496                          |
| Director's sitting fees  | 5                            | 4                            |
| Travelling and conveyance                                      | 15                           | 17                           |
| Rates and taxes  | 70                           | 91                           |
| Insurance  | 74                           | 177                          |
| Water charges  | 581                          | 83                           |
| Provision for diminution in value of non-current investments   | 180                          | -                            |
| Loss on foreign exchange fluctuations (net)                    | 391                          | 2,165                        |
| Electricity expenses   | 773                          | 999                          |
| Loss on revaluation of Inventories                             | 248                          | 563                          |
| Provision for credit impaired - receivables (Refer note no.29) | 1,06,977                     | -                            |
| Advances written off   | 1                            | -                            |
| Loss on Sale / discarding of property, plant and equipment     | 2                            | -                            |
| Miscellaneous expenses   | 105                          | 66                           |
|  | <u>1,10,049</u>              | <u>4,915</u>                 |

**Vidarbha Industries Power Limited**
**Notes to the financial statements for the year ended March 31, 2024 (Continued)**
**4) Contingent Liabilities**

- (i) Income tax claims under dispute aggregating to Rs 76 lakhs relates to Assessment year 2016-17 Rs. 76 lakhs (March 31, 2023 – Rs.76 lakhs) and 2017-18 Rs. Nil (March 31, 2023 – Rs.16 lakhs).
- (ii) Estimated compensation as per terms of Fuel Supply Agreement with Western Coalfield Limited for non-lifting of coal as on March 31,2024 is Rs 50,258 Lakhs (March 31,2023 – Rs 39,397 Lakhs).
- (iii) The Company has received a confirmation from lender in which there is a difference of Rs 1,036 Lakhs of principle outstanding as at March 31, 2024.

**5) Details of Remuneration to Auditors:**

| Particulars | Rs in Lakhs               |                           |
|-------------|---------------------------|---------------------------|
|             | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Audit Fees  | 5                         | 5                         |

**6) Employees benefit obligation:**

The Company has classified various employee benefits as under:

**a) Leave obligations**

The leave obligations cover the company's liability for sick and privileged leave.

| Particulars                    | Rs in lakhs    |                |
|--------------------------------|----------------|----------------|
|                                | March 31, 2024 | March 31, 2023 |
| Provision for leave encashment |                |                |
| Current*                       | 24             | 22             |
| Non-current                    | 34             | 47             |

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

**b) Defined contribution plans**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employer's Contribution to Employees' Deposit Link Insurance
  - Employer's Contribution to Employees' Pension Scheme, 1995

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

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

| Particulars  | Rs in lakhs    |                |
|--|----------------|----------------|
|  | March 31, 2024 | March 31, 2023 |
| (i) Contribution to provident fund                   | 16             | 15             |
| (ii) Contribution to employees' superannuation fund  | -              | -              |
| (iii) Contribution to employees' pension scheme 1995 | 2              | 3              |
| <b>Total</b>   | <b>18</b>      | <b>18</b>      |

**c) Post employment obligation**
**Gratuity**

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

**Vidarbha Industries Power Limited**

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

**(i) Significant estimates: actuarial assumptions**

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

| Particulars  | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Discount rate (per annum)  | 7.15%          | 7.30%          |
| Rate of increase in compensation levels                                  | 7.50%          | 7.50%          |
| Rate of return on plan assets  | 7.15%          | 7.30%          |
| Expected average remaining working lives of employees in number of years | 3.56           | 3.91           |

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

**(ii) Gratuity Plan**

| Rs in Lakhs   |                             |                           |            |
|---|-----------------------------|---------------------------|------------|
| Particulars   | Present value of obligation | Fair value of plan assets | Net amount |
| As at April 01, 2023  | 145                         | @                         | 145        |
| Current service cost  | 10                          | -                         | 10         |
| Interest cost   | 9                           | -                         | 9          |
| Total amount recognised in statement of profit and loss                       | 19                          | -                         | 19         |
| Remeasurements  |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | @                         | @          |
| (Gain) / loss from change in demographic assumptions                          | -                           | -                         | -          |
| (Gain) / loss from change in financial assumptions                            | 1                           | -                         | 1          |
| Experience (gains) / losses   | 2                           | -                         | 2          |
| Total amount recognised in other comprehensive income                         | 3                           | @                         | 3          |
| Employer contributions  | -                           | -                         | -          |
| Benefit payments  | -                           | -                         | -          |
| As at March 31, 2024  | 167                         | @                         | 167        |

| Rs in Lakhs   |                             |                           |            |
|---|-----------------------------|---------------------------|------------|
| Particulars   | Present value of obligation | Fair value of plan assets | Net amount |
| As at April 01, 2022  | 101                         | (12)                      | 89         |
| Current service cost  | 7                           | -                         | 7          |
| Interest cost   | 5                           | @                         | 5          |
| Total amount recognised in statement of profit and loss                       | 12                          | @                         | 12         |
| Remeasurements  |                             |                           |            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           | @                         | @          |
| (Gain) / loss from change in demographic assumptions                          | -                           | -                         | -          |
| (Gain) / loss from change in financial assumptions                            | (4)                         | -                         | (4)        |
| Experience (gains) / losses   | 48                          | -                         | 48         |
| Total amount recognised in other comprehensive income                         | 44                          | @                         | 44         |
| Employer contributions  | -                           | -                         | -          |
| Benefit payments  | (12)                        | 12                        |            |
| As at March 31, 2023  | 145                         | @                         | 145        |

**Vidarbha Industries Power Limited**

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

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

| Particulars  | Rs in Lakhs    |                |
|--|----------------|----------------|
|  | March 31, 2024 | March 31, 2023 |
| Present value of funded obligations  | 167            | 145            |
| Fair value of plan assets (Current year- Rs 17,811) (Previous year- Rs 16,186) | @              | @              |
| <b>Deficit of funded plan</b>  | <b>167</b>     | <b>145</b>     |
| Current Portion  | 90             | 59             |
| Non-Current portion  | 77             | 86             |

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

**(iii) Sensitivity analysis:**

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

| Particulars            | Change in assumptions |                | Increase in assumptions |                | Decrease in assumptions |                |
|------------------------|-----------------------|----------------|-------------------------|----------------|-------------------------|----------------|
|                        | March 31, 2024        | March 31, 2023 | March 31, 2024          | March 31, 2023 | March 31, 2024          | March 31, 2023 |
| Discount rate          | 0.50%                 | 0.50%          | (1.74%)                 | (1.91%)        | 1.82%                   | 2%             |
| Salary escalation rate | 0.50%                 | 0.50%          | 1.81%                   | 1.99%          | (1.74%)                 | (1.91%)        |

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

(iv) The above defined benefit gratuity plan was administrated 100% by Reliance Nippon Life Insurance Company Limited as at March 31, 2024 and as at March 31, 2023.

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

The Company will pay demand raised by RNLIC towards gratuity liability on time to time basis to eliminate the deficit in defined benefit plan:

The weighted average duration of the defined benefit obligation is 3.56 years (2022-23 – 3.91 years).

Maturity analysis of Defined Benefit Plan as follows:

| Maturity Profile                    | Rs in Lakhs |
|-------------------------------------|-------------|
| Expected benefits within 1 year     | 90          |
| Expected benefits from 1 to 5 years | 50          |
| Expected benefits more than 5 years | 81          |

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

Vidarbha Industries Power Limited

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

7) Assets pledged as security

| Particulars  | Note no. | Rs in lakhs    |                |
|--|----------|----------------|----------------|
|  |          | March 31, 2024 | March 31, 2023 |
| <b>Non - Current</b>                                     |          |                |                |
| <b>First Charge</b>                                      |          |                |                |
| <b>Financial Assets</b>                                  |          |                |                |
| Non-current investments                                  | 3.3(a)   | 27             | 220            |
| Loans  | 3.3(b)   | 750            | 750            |
| Other financial assets                                   | 3.3(c)   | 66             | 66             |
| <b>Non-financial assets</b>                              |          |                |                |
| Property, Plant & Equipment                              | 3.1      | 178,799        | 198,861        |
| Intangible Assets  | 3.2      | 469            | 538            |
| Non-current tax assets                                   | 3.4      | 12             | 14             |
| Other Non-Current Assets                                 | 3.5      | 202            | 202            |
| <b>Total Non- current assets pledged as security (A)</b> |          | <b>180,325</b> | <b>200,651</b> |

| Particulars   | Note no. | Rs in lakhs    |                |
|---|----------|----------------|----------------|
|   |          | March 31, 2024 | March 31, 2023 |
| <b>Current</b>                                      |          |                |                |
| <b>First Charge</b>                                 |          |                |                |
| <b>Financial assets</b>                             |          |                |                |
| Trade receivables                                   | 3.7(a)   | 77             | 107,078        |
| Cash and Bank balances                              | 3.7(b)   | 216            | 2              |
| Other current financial Assets                      | 3.7(c)   | 7              | 4              |
| <b>Non-financial assets</b>                         |          |                |                |
| Inventories   | 3.6      | 6,277          | 6,528          |
| Other current assets                                | 3.8      | 1,054          | 1,130          |
| <b>Total current assets pledged as security (B)</b> |          | <b>7,631</b>   | <b>114,742</b> |
| <b>Total assets pledged as security (A+B)</b>       |          | <b>187,956</b> | <b>315,393</b> |

**Vidarbha Industries Power Limited**

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

**8) 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:**

**Ultimate Holding Company:**

1. Reliance Power Limited (R Power)

**Holding Company:**

1. Rosa Power Supply Company Limited (RPSL) (w.e.f. August 17, 2023)

**B. Fellow Subsidiaries**

1. Siyom Hydro Power Private Limited (SHPPL)
2. Reliance CleanGen Limited (RCGL)
3. Dhursar Solar Power Private Limited (DSPL)

**C. Joint Venture**

1. Reliance Neo Energies Private Limited (Formerly known as Reliance Geothermal Power Private Limited (RNEPL).

**D. Major Investing Party/Promoter having significant influence on the holding/ultimate holding company directly or indirectly:**

**(i) Company**

Reliance Infrastructure Limited (R Infra)

**(ii) Individual**

Shri Anil D. Ambani

**E. Key Management Personnel**

1. Shri Mantu Kumar Ghosh - Chief Financial Officer
2. Shri Murli M. Thanvi – Company Secretary (Upto February 02, 2024)

**F. Details of transactions and closing balances:**

|     |   | Rs in Lakhs |         |
|-----|---|-------------|---------|
|     | Particulars   | 2023-24     | 2022-23 |
| (i) | Transactions during the year :  |             |         |
|     | Proceeds from Sale of Material  |             |         |
|     | DSPL  | -           | 2       |
|     | Inter- corporate deposit received   |             |         |
|     | R Power   | 26          | -       |
|     | Inter- corporate deposit written back                                     |             |         |
|     | RPSL  | -           | 240     |
|     | Other payables written back   |             |         |
|     | RPSL  | -           | 12      |
|     | Provision for Diminution in Investment                                    |             |         |
|     | RNEPL (Rs 25,000)   | @           | -       |
|     | SHPPL   | 176         | -       |
|     | Provision for Credit Impaired-Receiveable                                 |             |         |
|     | R Infra   | 99,561      | -       |
|     | Reimbursement of expenses paid on the Company's behalf/advance taken from |             |         |
|     | R Power   | -           | 9       |
|     | Preference Shares converted into equity shares                            |             |         |
|     | RPSL  | 1,342       | -       |

Vidarbha Industries Power Limited

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

|      |   |       |        |
|------|---|-------|--------|
| (ii) | Closing balances:                                     |       |        |
|      | Investment in equity shares                           |       |        |
|      | RNEPL (CY Rs Nil) (PY Rs 25,000)                      | -     | @      |
|      | Investment in preference shares                       |       |        |
|      | SHPL  | 6     | 182    |
|      | Trade Receivables                                     |       |        |
|      | R Infra   | -     | 99,561 |
|      | Loans and advances                                    |       |        |
|      | R Power   | -     | 898    |
|      | RCGL  | 462   | 462    |
|      | Trade Payables  |       |        |
|      | R Infra   | 18    | 18     |
|      | Inter-corporate deposits received by the Company from |       |        |
|      | R Power   | 3,748 | 2,824  |
|      | RCGL  | 4     | 4      |
|      | Equity share capital (excluding premium)              |       |        |
|      | R Power   | 113   | 113    |
|      | RPSL  | 1379  | 36     |
|      | Preference share capital (excluding premium)          |       |        |
|      | R Power   | -     | 940    |
|      | RPSL  | -     | 402    |
|      | Guarantee issued on behalf of the Company             |       |        |
|      | R Power   | 80    | 80     |

@ Amount is below the rounding off norm adopted by the company.

G. Notes:

- The Ultimate Holding Company has entered into agreements with the lenders of the Company wherein it has committed/guaranteed to extend financial support in the form of equity or debt as per agreed means of finance, in respect of the project being undertaken/outstanding borrowings.
- The above disclosure does not include transactions with public utility service providers, viz. electricity and telecommunication in the normal course of business.

9) Earnings per share:

| Particulars  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| Profit/(loss) available to equity shareholders (A) (Rupees in lakhs)                     | (168,341)                    | (61,878)                     |
| Weighted average number of equity shares -Basic (B)                                      | 9,854,513                    | 1,491,626                    |
| Weighted average number of equity shares -Diluted (C)                                    | 9,854,513                    | 14,916,260                   |
| Earnings per share – Basic (Rupees) (A/B)  | (1,708.26)                   | (4,148.38)                   |
| Earnings per share – Diluted (Rupees) (A/C)  | (1,708.26)                   | (414.84)                     |
| Nominal value of an equity share (Rupees)  | 10                           | 10                           |
| Reconciliation of Weighted average number of equity shares Outstanding                   |                              |                              |
| Weighted average number of equity shares used as denominator for calculating Basic EPS   | 9,854,513                    | 1,491,626                    |
| Total Weighted average potential equity shares   | -                            | 13,424,634                   |
| Weighted average number of equity shares used as denominator for calculating Diluted EPS | 9,854,513                    | 14,916,260                   |



**Vidarbha Industries Power Limited**

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

**10) Income Taxes:**

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

**a) Income tax recognized in Statement of Profit and Loss:**

| Particulars                             | Rs in Lakhs                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>Income tax expense</b>               |                              |                              |
| a) Current tax                          | -                            | -                            |
| b) Deferred tax                         | -                            | -                            |
| <b>Total Income tax expense (a + b)</b> | -                            | -                            |

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

| Particulars  | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Profit before income tax expense   | (168,341)                    | (61,878)                     |
| <b>Tax at the Indian tax rate of 26% (March 31, 2023 - 26%)</b>  | <b>(43,769)</b>              | <b>(16,088)</b>              |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income:                                  | -                            | -                            |
| Expenses (admissible) / inadmissible under income tax act (net)  | -                            | -                            |
| Effect of tax on account of available tax holiday under section 80IA of the Income tax Act/ Recoverable from beneficiary | -                            | -                            |
| DTA to the extent of liability for earlier years recognised in the current year i.e DTL reversed during the year         | -                            | -                            |
| Tax effect on current year losses on which no deferred tax asset is recognised   | 43,769                       | 16,088                       |
| <b>Income Tax expenses/(credit)</b>  | <b>-</b>                     | <b>-</b>                     |

**(c) Tax liabilities (net of assets)**

| Particulars  | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Provision for income tax / (advance tax) – Opening balances      | (14)                         | (13)                         |
| Add: Current tax payable for the year                            | -                            | -                            |
| Less: (Taxes paid)/Refund Received (Net)                         | 2                            | (1)                          |
| <b>Provision for income tax / (advance tax)–Closing balances</b> | <b>(12)</b>                  | <b>(14)</b>                  |

**(d) Unutilised MAT credit/Unabsorbed loss**

| Particulars  | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Unutilised MAT credit for which no deferred tax assets has been recognised | 18,146                       | 18,146                       |
| Unabsorbed depreciation  | 234,531                      | 224,628                      |
| Unabsorbed business loss   | 21,795                       | 21,774                       |

The Company does not expect income tax liability under normal provision in the foreseeable future; hence the Company has not recognized deferred tax assets on MAT credit. The Company has not created deferred tax asset on the unabsorbed business loss and unabsorbed depreciation as there is no reasonable certainty that the Company would generate sufficient taxable profits in the near future

Vidarbha Industries Power Limited

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

11) Fair value measurements

(a) Financial instruments by category

| Particulars                        | As at March 31, 2024 |                | As at March 31, 2023 |                |
|------------------------------------|----------------------|----------------|----------------------|----------------|
|                                    | FVTPL                | Amortized cost | FVTPL                | Amortized cost |
| Investment in unquoted shares      | -                    | 6              | -                    | 182            |
| Investment in Government bond      | 21                   | -              | 38                   | -              |
| Trade receivables                  | -                    | 77             | -                    | 107,078        |
| Cash and cash equivalents          | -                    | 216            | -                    | 2              |
| Loans                              | -                    | 750            | -                    | 750            |
| Other financial assets             | -                    | 73             | -                    | 70             |
| <b>Total financial Assets</b>      | <b>21</b>            | <b>1,122</b>   | <b>38</b>            | <b>108,082</b> |
| Borrowings (including interest)    | -                    | 463,717        | -                    | 424,713        |
| Trade payables                     | -                    | 14,909         | -                    | 13,859         |
| Other financial liabilities        | -                    | 5,620          | -                    | 4,767          |
| <b>Total financial liabilities</b> | <b>-</b>             | <b>484,246</b> | <b>-</b>             | <b>443,339</b> |

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. The Company has not disclosed the fair values of financial instruments such as short term trade receivables, trade payables, cash and cash equivalents, fixed deposits, working capital loan, security deposits, ICDs, Loans & Advances etc as carrying value is reasonable approximation to fair values. 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 measured at fair value as at March 31, 2024 | Rs in Lakhs |         |         |       |
|--|-------------|---------|---------|-------|
|  | Level 1     | Level 2 | Level 3 | Total |
| Financial assets   |             |         |         |       |
| Government Bond  | 21          | -       | -       | 21    |

| Financial assets and liabilities measured at fair value as at March 31, 2023 | Rs in Lakhs |         |         |       |
|--|-------------|---------|---------|-------|
|  | Level 1     | Level 2 | Level 3 | Total |
| Financial assets   |             |         |         |       |
| Government Bond  | 38          | -       | -       | 38    |

| Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2024 | Rs in Lakhs |                |            |                |
|--|-------------|----------------|------------|----------------|
|  | Level 1     | Level 2        | Level 3    | Total          |
| Financial assets   |             |                |            |                |
| Investment   | -           | -              | 6          | 6              |
| Loans  | -           | -              | 750        | 750            |
| Other financial assets   | -           | -              | 7          | 7              |
| <b>Total financial assets</b>  | <b>-</b>    | <b>-</b>       | <b>763</b> | <b>763</b>     |
| Borrowings (including interest)  | -           | 372,787        | -          | 372,787        |
| <b>Total financial liabilities</b>   | <b>-</b>    | <b>372,787</b> | <b>-</b>   | <b>372,787</b> |

Vidarbha Industries Power Limited

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

Rs in Lakhs

| Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total   |
|--|---------|---------|---------|---------|
| <b>Financial assets</b>  |         |         |         |         |
| Investment   | -       | -       | 182     | 182     |
| Loans  | -       | -       | 750     | 750     |
| Other financial assets   | -       | -       | 4       | 4       |
| <b>Total financial assets</b>  | -       | -       | 936     | 936     |
| Borrowings (including interest)  | -       | 340,807 | -       | 340,807 |
| <b>Total financial liabilities</b>   | -       | 340,807 | -       | 340,807 |

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

Rs in lakhs

| Particulars                        | Year ended<br>March 31, 2024 |                | Year ended<br>March 31, 2023 |                |
|------------------------------------|------------------------------|----------------|------------------------------|----------------|
|                                    | Carrying amount              | Fair value     | Carrying amount              | Fair value     |
| <b>Financial Assets</b>            |                              |                |                              |                |
| Government Bond                    | 21                           | 21             | 38                           | 34             |
| Investment                         | 6                            | 6              | 182                          | 182            |
| Loans                              | 750                          | 750            | 750                          | 750            |
| Other financial assets             | 7                            | 7              | 4                            | 4              |
| <b>Total Financial Assets</b>      | <b>784</b>                   | <b>784</b>     | <b>974</b>                   | <b>970</b>     |
| <b>Financial Liabilities</b>       |                              |                |                              |                |
| Borrowings (including interest)    | 372,787                      | 372,787        | 340,807                      | 340,807        |
| <b>Total Financial Liabilities</b> | <b>372,787</b>               | <b>372,787</b> | <b>340,807</b>               | <b>340,807</b> |

(d) Valuation technique used to determine fair values

The main level 3 inputs used by the company are derived and evaluated as follows:

The fair value of financial instruments is determined using discounted cash flow analysis.

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

The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed-rate of interest.

**Note**

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize 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.

The Company's policy is to recognize transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

**Vidarbha Industries Power Limited**

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

**12) 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, trade receivables, financial assets measured at amortized cost.  | Ageing analysis             | Diversification of bank deposits, letters of credit and Credit limits |
| Liquidity Risk                 | Borrowings and other liabilities  | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities       |
| Market risk – foreign exchange | Recognized financial assets and liabilities not denominated in Indian rupees (Rs.)          | Sensitivity analysis        | Un hedged   |
| Market risk – interest rate    | Long-term borrowings at variable rates  | Sensitivity analysis        | Un hedged   |
| Market risk – price risk       | Unquoted investment in equity shares of Associates – not exposed to price risk fluctuations | -                           | -   |

**(a) Credit risk**

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortized cost and deposits with banks and financial institutions, as well as credit exposures to trade customers including outstanding receivables.

**Credit risk management**

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

The Company's credit risk arises from accounts receivable balances on sale of electricity and transmission income. The credit risk is very low as the sale of electricity is based on terms of PPA which has been approved by the regulator.

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

**(b) Liquidity risk**

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

In respect of its existing operations, the Company funds its activities primarily through long-term loans secured against each power plant and intra-group loans. The Company's objective is to maintain sufficient funding to allow its existing business to operate at an optimal level.

Management monitors the rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. As the Company has operational cash inflows, therefore, the Company is dependent on operational cash inflows and intra-group loans.

**(i) 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.

| Rs in lakhs   |                  |                            |                   |         |
|---|------------------|----------------------------|-------------------|---------|
| March 31, 2024  | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total   |
| <b>Financial liabilities</b>                          |                  |                            |                   |         |
| Current maturities of Borrowings (including interest) | 372,787          | -                          | -                 | 372,787 |

**Vidarbha Industries Power Limited**
**Notes to the financial statements for the year ended March 31, 2024 (Continued)**

|                                      |                |          |          |                |
|--------------------------------------|----------------|----------|----------|----------------|
| Borrowings- Short term               | 86,716         | -        | -        | 86,716         |
| Inter corporate deposit              | 3,752          | -        | -        | 3,752          |
| Loans and advance from related party | 462            | -        | -        | 462            |
| Trade payables                       | 14,909         | -        | -        | 14,909         |
| Security and other deposits          | 2              | -        | -        | 2              |
| Retention money payable              | 699            | -        | -        | 699            |
| Creditors for capital expenditure    | 1,066          | -        | -        | 1,066          |
| Others                               | 3,853          | -        | -        | 3,853          |
| <b>Total financial liabilities</b>   | <b>484,246</b> | <b>-</b> | <b>-</b> | <b>484,246</b> |

**Rs in lakhs**

| March 31, 2023                       | Less than 1 year | Between 1 year and 5 years | More than 5 years | Total          |
|--------------------------------------|------------------|----------------------------|-------------------|----------------|
| <b>Financial liabilities</b>         |                  |                            |                   |                |
| Borrowings (including interest)      | 340,807          | -                          | -                 | 340,807        |
| Borrowings- Short term               | 79,724           | -                          | -                 | 79,724         |
| Inter corporate deposit              | 2,828            | -                          | -                 | 2,828          |
| Loans and advance from related party | 1,354            | -                          | -                 | 1,354          |
| Trade payables                       | 13,859           | -                          | -                 | 13,859         |
| Security and other deposits          | 2                | -                          | -                 | 2              |
| Retention money payable              | 693              | -                          | -                 | 693            |
| Creditors for capital expenditure    | 1,422            | -                          | -                 | 1,422          |
| Others                               | 2,650            | -                          | -                 | 2,650          |
| <b>Total financial liabilities</b>   | <b>443,339</b>   | <b>-</b>                   | <b>-</b>          | <b>443,339</b> |

**(c) Market risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign exchange risk and b) Interest rate risk.

**(i) Foreign currency risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has long term monetary liabilities which are in US dollar other than its functional currency.

While the Company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Company invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

**Foreign currency risk exposure:**

The company's exposure to foreign currency risk (all in USD \$) at the end of the reporting period expressed in Rupees, are as follows.

| Particulars  | Rs in lakhs               |                           |
|--|---------------------------|---------------------------|
|  | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Borrowings (including interest accrued)                    | 30,128                    | 28,211                    |
| Creditors  | 5,833                     | 5,752                     |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>35,961</b>             | <b>33,963</b>             |

**Vidarbha Industries Power Limited**
**Notes to the financial statements for the year ended March 31, 2024 (Continued)**

- Sensitivity of foreign currency exposure**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

**Impact on profit/(loss) after tax**

| Particulars                                  | Rs in lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>USD sensitivity</b>                       |                              |                              |
| INR/USD -Increase by 6% (March 31, 2023-6%)* | (2,167)                      | (2,043)                      |
| INR/USD -Decrease by 6% (March 31, 2023-6%)* | 2,167                        | 2,043                        |

- (ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2024 and March 31, 2023 the Company's borrowings at variable rate were mainly denominated in Rupees.

- Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars              | Rs in lakhs                  |                              |
|--------------------------|------------------------------|------------------------------|
|                          | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Variable rate borrowings | 223,665                      | 222,700                      |
| <b>Total borrowings</b>  | <b>223,665</b>               | <b>222,700</b>               |

- Sensitivity**

| Particulars   | Rs in lakhs                       |                              |
|---|-----------------------------------|------------------------------|
|   | Impact on profit after tax/(Loss) |                              |
|   | Year ended<br>March 31, 2024      | Year ended<br>March 31, 2023 |
| Interest rates – increase by -5% on existing interest cost* | (1,524)                           | (1,671)                      |
| Interest rates – decrease by 5% on existing interest cost*  | 1,524                             | 1,671                        |

\*Holding all variables constant

**13) 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 excluding capital reserves and including the fair value impact and debt represents term loan and short term loans. The following table summarizes the capital of the Company:

| Particulars  | Rs in Lakhs                  |                              |
|--------------|------------------------------|------------------------------|
|              | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Equity       | (308,476)                    | (140,132)                    |
| Debt         | 282,347                      | 281,350                      |
| <b>Total</b> | <b>(26,129)</b>              | <b>141,218</b>               |

**Vidarbha Industries Power Limited**

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

- (b) The Company has defaulted in repayments of its dues to the lenders as on March 31, 2024 (Refer note 20).
- (c) Final Dividends for the year ended March 31, 2024 is Rs. Nil (March 31, 2023: Rs. Nil)

**14) Segment Reporting**

The Company's Board of Directors examine the Company's performance.

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

**Information about major customers**

Revenue for the year ended March 31, 2024 and March 31, 2023 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2024 and March 31, 2023 were as follows:

| Name of the Customer                               | Year ended March 31, 2024 |         | Year ended March 31, 2023 |         |
|--|---------------------------|---------|---------------------------|---------|
|  | Revenue                   | Percent | Revenue                   | Percent |
| Maharashtra State Electricity Transmission Company | 357                       | 100%    | 454                       | 100%    |

- 15) The Company uses the accounting software SAP for maintaining books of accounts. During the year ended March 31, 2024, the Company has 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.

**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.

| Particulars   | Rs in lakhs               |                           |
|---|---------------------------|---------------------------|
|   | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Principal amount due to suppliers as at the year end  | 2,422                     | 2,424                     |
| Interest accrued, due to suppliers on the above amount, and unpaid as at the year end   | 2,030                     | 1,539                     |
| Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED   | -                         | -                         |
| Interest paid to suppliers under MSMED Act (other than Section 16)  | -                         | -                         |
| Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year   | -                         | -                         |
| Amount of interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act  | -                         | -                         |
| Amount of interest accrued and remaining unpaid at the end of each accounting year to suppliers   | 2,030                     | 1,539                     |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED | -                         | -                         |

**Vidarbha Industries Power Limited**

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

**17) Cost of fuel consumed (including coal, heavy furnace oil)**

| Particulars                            | Rs in Lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Balance at the beginning of the year   | 2,054                        | 2,618                        |
| Add: Purchases during the year         | -                            | -                            |
| Less: Loss on revalued during the year | (249)                        | (564)                        |
| Less: Balance at the end of the year   | 1,805                        | 2,054                        |
| Consumed during the year               | -                            | -                            |

**18) Corporate Social Responsibility**

The Company is not required to spend towards CSR as per section 135 of the Act, since there is no average profit in last three years calculated as per the provisions of the Act.

**19) Disclosure pursuant to Para 44A to E of Ind AS 7 – Statement of Cash Flows:**

| Particulars  | Rs in lakhs                  |                              |
|--|------------------------------|------------------------------|
|  | Year Ended<br>March 31, 2024 | Year Ended<br>March 31, 2023 |
| <b>Long term Borrowings (including current maturities)</b> |                              |                              |
| Opening Balance  |                              |                              |
| - Non Current  | -                            | 142,149                      |
| - Current  | 222,700                      | 78,834                       |
| Availed during the year                                    | -                            | -                            |
| Changes in Fair Value                                      | -                            | -                            |
| - Impact of Effective Rate of Interest                     | 955                          | -                            |
| -Unrealized and Realized Exchange loss/(gain)              | 309                          | 1,717                        |
| Repaid During the year                                     |                              |                              |
| Others   | (299)                        |                              |
| <b>Closing Balance</b>                                     | <b>223,665</b>               | <b>222,700</b>               |
| <b>Short term Borrowings</b>                               |                              |                              |
| Opening Balance  | 58,650                       | 58,900                       |
| Availed during the year                                    | 26                           | -                            |
| Trade Payable Converted to loan                            | 6                            | -                            |
| Repaid / written back During the year                      | -                            | (250)                        |
| Assigned during the year                                   | -                            | -                            |
| <b>Closing Balance</b>                                     | <b>58,682</b>                | <b>58,650</b>                |
| <b>Interest Accrued</b>                                    |                              |                              |
| Opening Balance  |                              |                              |
| Interest accrued and due on borrowings                     | 143,363                      | 105,773                      |
| Interest Charge from opening reserves & surplus            | -                            | -                            |
| Interest Charge as per Statement Profit & Loss             | 37,708                       | 37,590                       |
| Others   | 299                          |                              |
| <b>Changes in Fair Value</b>                               |                              |                              |
| - Impact of Effective Rate of Interest                     | -                            | -                            |
| - Interest paid to Lenders                                 | -                            | -                            |
| <b>Closing Balance</b>                                     |                              |                              |
| <b>Interest accrued and due on borrowings</b>              | <b>181,370</b>               | <b>143,363</b>               |



Vidarbha Industries Power Limited  
Notes to the financial statements for the year ended March 31, 2024 (Continued)

20) Default in repayment of borrowing and interest.

| Sr  | Name of Lender   | Borrowings                         |           |                              |              | Interest                           |           |                              |              |
|-----|--|------------------------------------|-----------|------------------------------|--------------|------------------------------------|-----------|------------------------------|--------------|
|     |  | Delay in repayment During the year |           | Default As at March 31, 2024 |              | Delay in repayment During the year |           | Default As at March 31, 2024 |              |
|     |  | Rs. in lakhs                       | Max. Days | Rs. in lakhs                 | Maximum days | Rs. in lakhs                       | Max. days | Rs. in lakhs                 | Maximum days |
| I   | Rupee Term Loan  |                                    |           |                              |              |                                    |           |                              |              |
|     | CFM Asset Reconstruction Private Limited (Refer Note 21) | -                                  | -         | 2,01,333                     | 1,827        | -                                  | -         | 1,41,327                     | 1,521        |
| II  | External Commercial Borrowing                            |                                    |           |                              |              |                                    |           |                              |              |
|     | Axis Bank  | -                                  | -         | 22,332                       | 1,827        | -                                  | -         | 7,796                        | 1,521        |
| III | Working Capital Loan                                     |                                    |           |                              |              |                                    |           |                              |              |
|     | CFM Asset Reconstruction Private Limited (Refer Note 21) | -                                  | -         | 54,468                       | 1,737        | -                                  | -         | 32,247                       | 1,433        |
|     | Total (I+II+III)   |                                    |           | 2,78,133                     |              |                                    |           | 1,81,370                     |              |

- 21) The Company has incurred losses during the year ended March 31, 2024 as well as during the previous years and its current liabilities exceed its current assets. The Company's ability to meet its obligation is dependent on the outcome of events, viz.: i) Civil Appeal No. CA 37 of 2021 filed and currently pending before the Hon'ble Supreme Court (SC), challenging the Ld. Appellate Tribunal for Electricity (APTEL) Judgment dated September 15, 2020, wherein Ld. APTEL has upheld the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) Order dated December 16, 2019, relating to the notice of termination of Power Purchase Agreement (PPA). The matter is tagged with Civil Appeal No. CA 87 of 2021, which is filed by the then lead lender challenging the Ld. APTEL Judgment dated September 15, 2020 and both these matters are tagged with Civil Appeal No. CA 372 of 2017 referred hereinafter. Next hearing date in CA 37 of 2021 is awaited; ii) Civil Appeal No. CA 372 of 2017 filed by Hon'ble MERC before the Hon'ble SC, challenging the Ld. APTEL Judgment dated November 3, 2016 partially setting aside the Hon'ble MERC Order dated June 20, 2016 relating to disallowance of fuel costs in the True-up for FY2014-15 and provisional True-up for FY2015-16. Next hearing date is awaited. Considering that Hon'ble SC has not granted any stay in CA 372 of 2017, VIPL has also filed an Execution Petition in APTEL for implementation of the APTEL Judgment dated November 3, 2016 by MERC. The next date of hearing of the Execution Petition is in May 27, 2024 iii) Further in light of the ratio determined in the Hon'ble SC Judgment in Civil Appeal 5399-5400 of 2016 (Energy Watchdog Vs. CERC) and Hon'ble MERC Order dated March 07, 2018 in APML vs. MSEDCL matter, the Company has filed a revised Mid-Term Review (MTR) Petition No. 199 of 2017 seeking full recovery of coal costs in the variable charge for the period starting from COD till date and for the future period. However, after reserving the order on January 08, 2019, Hon'ble MERC has not issued the same till date, citing pendency of its aforesaid Civil Appeal No. CA 372 of 2017 before the Hon'ble SC. Based on the aforementioned judgment and recent Judgments dated March 03, 2023 in Civil Appeal 684 of 2021(MSEDCL Vs. APML & Others) and dated April 20, 2023 in Civil Appeal 11095 of 2018 (GMR Warora Energy Limited Vs. CERC & Ors.), the Company believes that, in Civil Appeal No. CA 372 of 2017 and Petition No. 199 of 2017, it has a strong case on facts, merits and law. the Company expects a positive outcome and the amount receivable from Case No. CA 372 of 2017 and/or 199 of 2017, which shall be sufficient to meet the debt. iv) Application filed by the then lead lender before National Company Law Tribunal (NCLT) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) seeking debt resolution of the Company is pending before NCLT. The Company had filed Miscellaneous Application before NCLT for seeking a stay in the matter. NCLT has dismissed the said Miscellaneous Application of the Company on January 29, 2021. The Company filed appeal against aforementioned NCLT order before the NCLAT and the same was dismissed on March 02, 2021. The Company filed a Civil Appeal before Hon'ble SC challenging the said NCLAT order which was heard on September 1, 2021 and order was pronounced on July 12, 2022 allowing the appeal of the Company with a direction to NCLT to reconsider stay application of the Company on merit in accordance with law. A petition seeking review of the aforesaid Hon'ble SC judgment dated July 12, 2022, filed by the then lead lender of the Company, was dismissed by the Hon'ble SC. One of the then other lenders of VIPL, has also filed a petition under section 7 of IBC before NCLT. The stay applications in both these petitions were heard but due to change in bench there will be a fresh hearing in the matters. The next date of hearing is June 11, 2024. Certain lenders has filed application with Debt Recovery Tribunal.

The Company was in discussion with all its lenders for debt resolution outside the Corporate Insolvency Resolution Process (CIRP), Company has submitted the One Time Settlement (OTS) proposal to its lenders and

**Vidarbha Industries Power Limited**

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

lenders have put up onerous conditions to be fulfilled by the Company for consideration of the said OTS proposal. The arbitrary rejections of OTS proposals by the then lenders of the Company have been challenged by the Company before Hon'ble Bombay High Court. The Bombay High Court vide Order dated July 05, 2023 passed by the Division Bench observed that whatever steps lenders may take pursuant to the Swiss Challenge process carried out shall be subject to the outcome of the above Writ Petition. While the Company was engaged with the lenders on its OTS proposal, lenders issued an Expression of Interest dated July 10, 2023 (EoI) for assignment of debt of the Company. Pursuant to the EoI, lenders ("Assignor Banks") have informed that vide Assignment Agreement dated August 17, 2023, they have assigned the Company's debt along with underlying securities to an Asset Reconstruction Company (ARC). Thereafter, the ARC has substituted/impleaded in the NCLT proceedings.

Considering the regulatory receivables and Company's ongoing legal cases, Financial Statements of Company have been prepared on a going concern basis.

- 22) The Company's leased assets primarily consists of office premises and guest houses which are of short term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease. During the year, the Company has incurred Rs.23 lakhs (March 31, 2023 Rs. 23 lakhs) as leased payment.

**23) Ratios**

| Sr. | Particulars                                   | March 31, 2024 | March 31, 2023 | %Change    |
|-----|---|----------------|----------------|------------|
| A   | Current ratio <sup>1</sup>                    | 0.02           | 0.26           | (93.91)    |
| B   | Debt Equity ratio <sup>1</sup>                | (0.95)         | (2.19)         | 56.62      |
| C   | Debt Service Coverage ratio <sup>1</sup>      | (0.06)         | (0.10)         | (46.53)    |
| D   | Return on Equity                              | (56.77%)       | (48.27%)       | (17.61)    |
| E   | Inventory turnover ratio                      | 0.06           | 0.07           | (16.50)    |
| F   | Trade Receivables turnover ratio <sup>1</sup> | 0.0067         | 0.0042         | 56.98      |
| G   | Trade Payables turnover ratio                 | 0.16           | 0.17           | (5.79)     |
| H   | Net Capital turnover ratio <sup>1</sup>       | (0.07)         | (0.14)         | (45.85)    |
| I   | Net Profit ratio <sup>1</sup>                 | (47,210.85%)   | (13,629.52%)   | (246.39)   |
| J   | Return on capital employed <sup>1</sup>       | (913.90%)      | (15.86%)       | (5,862.96) |
| K   | Return on Investment <sup>2</sup>             | 1.98%          | 1.30%          | 51.97      |

1. Loss in current year has increased significantly due to provision for credit impaired - receivables of Rs 1,06,977 Lakhs resulting in decrease in equity and current assets.
2. Return on Investment Increased due to Provision for diminution in value of investment in Siyom Hydro Power Private Limited.

| Sr | Particulars   | Rs in Lakhs               |                           |
|----|---|---------------------------|---------------------------|
|    |   | Year ended March 31, 2024 | Year ended March 31, 2023 |
| 1  | Current assets  | 7,631                     | 114,742                   |
| 2  | Current liabilities   | 484,381                   | 443,451                   |
| 3  | Total Debt  | 282,347                   | 281,350                   |
| 4  | Equity excluding Revaluation Reserve                          | (296,536)                 | (128,192)                 |
| 5  | Earnings before Interest and Tax and exceptional items (EBIT) | (129,678)                 | (24,288)                  |
| 6  | Interest on Long Term and Short Term Debt for the year        | 38,663                    | 37,590                    |
| 7  | Principal Repayment of Long Term Debt for the year            | -                         | -                         |
| 8  | Net profit after tax  | (168,341)                 | (61,878)                  |
| 9  | Earning available for debt service                            | (2,144)                   | (3,899)                   |
| 10 | Shareholders fund   | (296,536)                 | (128,192)                 |
| 11 | Inventory   | 6,277                     | 6,528                     |
| 12 | Avg Inventory   | 6,402                     | 6,807                     |

**Vidarbha Industries Power Limited**
**Notes to the financial statements for the year ended March 31, 2024 (Continued)**

|    |                                   |           |           |
|----|-----------------------------------|-----------|-----------|
| 13 | Net Credit Purchases              | 2,250     | 2,187     |
| 14 | Avg Trade Receivables             | 53,577    | 107,083   |
| 15 | Avg Trade Payables                | 14,384    | 13,174    |
| 16 | Net Capital employed              | -14,190   | 153,158   |
| 17 | Turnover (Revenue from operation) | 357       | 454       |
| 18 | <b>Capital employed:</b>          | -14,190   | 153,158   |
|    | Equity                            | (296,536) | (128,192) |
|    | Debt                              | 282,347   | 281,350   |
| 19 | Working capital                   | (476,751) | (328,709) |
| 20 | Income from Investment            | 2.45      | 2.87      |
| 21 | Average Investment                | 124       | 220       |

**Ratios have been computed as under:**

|   |   |
|---|---|
| A | Current Ratio: Current Assets/Current Liabilities   |
| B | Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve   |
| C | Debt Service Coverage Ratio = Earnings available for debt service / (Interest on Long Term and Short Term Debt for the period/year + Principal Repayment of Long Term Debt for the period/ year). |
| D | Return on Equity = Net profit after tax/ Shareholder's fund   |
| E | Inventory turnover ratio = Turnover / Average inventory   |
| F | Trade Receivables turnover ratio = Turnover / Average Receivables   |
| G | Trade Payables turnover ratio = Net credit purchase / Average Payables  |
| H | Net Capital turnover ratio = Turnover / working capital   |
| I | Net Profit ratio = Net Profit after tax/ Turnover   |
| J | Return on capital employed = EBIT / Capital employed  |
| K | Return on investment = Income from investment /Average investment   |

- 24) The Company has not incurred any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961.
- 25) (a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 26) As per Section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- 27) During the year, the Company is not declared wilful defaulter by any bank or financial institution or any other lender.

**Vidarbha Industries Power Limited**

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

**28) Other Disclosures:**

Revenue and expenditure of Generation and Transmission Business for the financial year 2023-24 as follows:

**Rs in Lakhs**

| Particulars                                   | Generation       | Transmission | Total            |
|---|------------------|--------------|------------------|
| Revenue from Operations                       | -                | 357          | 357              |
| Other Income                                  | 514              | 2            | 516              |
| <b>Total revenue</b>                          | <b>514</b>       | <b>359</b>   | <b>873</b>       |
| <b>Expenses:</b>                              |                  |              |                  |
| Employee benefit expense                      | 304              | 72           | 376              |
| Finance Cost                                  | 38,663           | -            | 38,663           |
| Depreciation and Amortisation expense         | 19,972           | 154          | 20,126           |
| Generation, administration and other expenses | 110,021          | 28           | 110,049          |
| <b>Total expenses</b>                         | <b>168,960</b>   | <b>254</b>   | <b>169,214</b>   |
| <b>Profit/(Loss) before Tax</b>               | <b>(168,446)</b> | <b>105</b>   | <b>(168,341)</b> |
| <b>Profit/ (Loss) for the year</b>            | <b>(168,446)</b> | <b>105</b>   | <b>(168,341)</b> |

- 29) The Company has been out of operation since January 2019 and its outstanding trade receivables of Rs. 1,06,977 lakhs remained stagnant, company has provided for expected credit loss of Rs. 1,06,977 lakhs as per IND AS 109 "Financial Instruments" on the said receivables during the year ended March 31, 2024. However, the Company continues to remain confident of its strong position in legal cases as referred in note 21.
- 30) The figures of previous year are regrouped/ re-casted, wherever necessary.

**Vidarbha Industries Power Limited**

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

As per our attached report of even date

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

Chartered Accountants

Firm Registration No. 107783W/W100593

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

**Jigar T. Shah**

Partner

Membership No. 161851

**Manoj Pongde**

Director

DIN 07728913

Place: Mumbai

Date: May 22, 2024

**Shrikant D. Kulkarni**

Director

DIN 05136399

**Manu Kumar Ghosh**

Chief Financial Officer

Place: Mumbai

Date: May 22, 2024