

**Reliance Lithium Werks B.V.**  
**Financial Statements**  
**for the period from 8th April 2022 to 31st December 2022**

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF DIRECTORS OF RELIANCE LITHIUM WERKS B.V.****Opinion**

We have audited the accompanying Special Purpose Financial Statements of Reliance Lithium Werks B.V. (hereinafter referred to as "the Company") which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information. These Special Purpose Financial Statements have been prepared by the management of Company per the basis of preparation as described therein, solely for the purpose of preparation of the consolidated financial statements of its ultimate holding company, Reliance Industries Limited.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Financial Statements of the Company for the period ended December 31, 2022 are prepared, in all material respects, in accordance with the basis of preparation of the Special Purpose Financial Statements as disclosed therein and accordingly provide a true and fair view of state of affairs of the Company as at December 31, 2022, and its loss, total comprehensive income, statement of changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing ('SAs') issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose 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 these Special Purpose Financial Statements, 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 Special Purpose Financial Statements.

**Management's Responsibility for the Special Purpose Financial Statements**

The Company's Board of Director is responsible with respect to the preparation of the Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the basis of preparation of these Special Purpose Financial Statements as described therein.

The Management of the Company is responsible for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the

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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Management of the Company are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Restriction on Distribution and Use**

The Special Purpose Financial Statements have been prepared for the limited purpose of preparation of the consolidated financial statements of the ultimate holding company. As a result, these Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the internal use of the Company.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm Registration No. 117366W / W - 100018)

**(Abhijit A. Damle)**

(Partner)  
(Membership No. 102912)

Mumbai, dated July 19, 2023

(UDIN: 23102912BGXWAR2655)

## Reliance Lithium Werks B.V.

Balance sheet as at December 31, 2022

(Amount in EURO)

	Notes	As at December 31 2022
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1	22,185
Right of Use Assets	1A	27,399
Financial Assets		
Investments	2	56,176,375
<b>Total Non-Current Assets</b>		<b>56,225,959</b>
<b>Current Assets</b>		
Financial Assets		
Trade Receivables	3	1,539,368
Cash and Cash Equivalents	4	11,008,644
Other Financial Assets	5	1,381,434
Other Current Assets	6	1,678,086
<b>Total Current Assets</b>		<b>15,607,532</b>
<b>Total Assets</b>		<b>71,833,491</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	7	80,360
Other Equity	8	52,056,676
<b>Total Equity</b>		<b>52,137,036</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
Other Financial Liabilities	9	18,878,026
<b>Total Non-Current Liabilities</b>		<b>18,878,026</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Lease Liabilities	18	25,617
Trade Payables	10	460,869
Other Current Liabilities	11	327,100
Provisions	12	4,843
<b>Total Current Liabilities</b>		<b>818,429</b>
<b>Total Liabilities</b>		<b>19,696,455</b>
<b>Total Equity and Liabilities</b>		<b>71,833,491</b>

Corporate Information and Significant Accounting Policies  
Notes to the Financial Statements

1 to 22

As per our report of even date  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board

**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Place: Mumbai  
Date: July 19, 2023

**Sanjay Mashruwala**  
Director

Place: Mumbai  
Date: July 18, 2023

**Joe Fisher**  
Director

Place: New York, USA  
Date: July 17, 2023

**Reliance Lithium Werks B.V.****Statement of Profit and Loss for the period from 8th April 2022 to 31st December 2022****(Amount in EURO)**

	Notes	8th April to 31st December, 2022
<b>INCOME</b>		
<b>Revenue from Operations</b>		
Sale of Products	13	9,021,874
Income from Services	13	1,005,752
<b>Total Income</b>		<b>10,027,626</b>
<b>EXPENDITURE</b>		
Purchase of Stock-in-Trade		8,048,806
Employee Benefits Expense	14	496,796
Finance Costs	15	1,563
Depreciation and Amortisation Expense	1 & 1A	35,480
Other Expenses	16	1,632,368
<b>Total Expenses</b>		<b>10,215,013</b>
<b>(Loss) Before Tax</b>		<b>(187,387)</b>
Tax Expenses:		-
<b>(Loss) for the Period</b>		<b>(187,387)</b>
<b>Other Comprehensive Income (OCI)</b>		-
<b>Total Comprehensive Income for the period</b>		<b>(187,387)</b>
<b>Earnings per share of face value of EURO 0.01 each</b>	17	
Basic (in EURO)		<b>(0.03)</b>
Diluted (in EURO)		<b>(0.03)</b>

Corporate Information and Significant Accounting Policies

Notes to the Financial Statements

**1 to 22**

As per our report of even date

For and on behalf of the Board

**For Deloitte Haskins & Sells LLP**

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**Abhijit A. Damle**

Partner

Membership No. 102912

Place: Mumbai

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**Sanjay Mashruwala**  
Director

Place: Mumbai

Date: July 18, 2023

**Joe Fisher**  
Director

Place: New York, USA

Date: July 17, 2023

**Reliance Lithium Werks B.V.****Statement of Changes in Equity For the period from 8th April 2022 to 31st December 2022**

## (a) Share Capital (Refer note 7)

		(Amount in EURO)	
	Balance at the beginning of the reporting period	Changes during the period	Balance at the end of the reporting period
Share Capital	-	80,360	80,360
<b>Total</b>	-	<b>80,360</b>	<b>80,360</b>

## (b) Other equity (Refer note 8)

		(Amount in EURO)		
	Balance at the beginning of the reporting period	Changes during the period		Balance at the end of the reporting period
		Total Comprehensive Income for the period	Securities Premium	
Securities Premium	-	-	52,244,063	52,244,063
Retained Earnings	-	(187,387)	-	(187,387)
<b>Total</b>	-	<b>(187,387)</b>	<b>52,244,063</b>	<b>52,056,676</b>

Corporate Information and Significant Accounting Policies

Notes to the Financial Statements

**1 to 22**

As per our report of even date

For and on behalf of the Board

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Abhijit A. Damle**

Partner

Membership No. 102912

Place: Mumbai

Date: July 19, 2023

**Sanjay Mashruwala**  
**Director**

Place: Mumbai

Date: July 18,  
2023**Joe Fisher**  
**Director**

Place: New York,

USA Date: July  
17, 2023

**Reliance Lithium Werks B.V.****Cash Flow Statement for the period from 8th April 2022 to 31st December 2022****(Amount in EURO)**

	<b>2022</b>
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>	
<b>Net loss before Tax as per Statement of loss and Loss</b>	<b>(187,387)</b>
<b>Adjusted for:</b>	
Depreciation and Amortisation Expense	35,480
Allowance for doubtful debts	75,606
Unrealised foreign exchange gain	(398,090)
Finance costs	1,563
	<b>(285,441)</b>
<b>Operating loss before Working Capital Changes</b>	<b>(472,828)</b>
<b>Adjusted for:</b>	
Trade and other receivables	(4,420,866)
Trade and other payables	640,842
	(3,780,024)
<b>Net Cash (used in) Operating Activities</b>	<b>(4,252,852)</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>	
Consideraton received for acquisition of net liabilities	103,692
Purchase of investments	(50,573,349)
<b>Net Cash (used in) Investing Activities</b>	<b>(50,469,657)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of ordinary share capital	52,324,423
Repayment of lease liability	(28,296)
Interest on lease liability	(1,388)
Proceeds from issue of preference share capital	13,275,000
<b>Net Cash generated from Financing Activities</b>	<b>65,569,739</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>10,847,230</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>-</b>
<b>Foreign exchange difference</b>	<b>161,414</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 4)</b>	<b>11,008,644</b>

As per our report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board

**Abhijit A. Damle**

Partner

Membership No. 102912

Place: Mumbai

Date: July 19, 2023

**Sanjay Mashruwala**  
Director

Place: Mumbai

Date: July 18, 2023

**Joe Fisher**  
Director

Place: New York, USA

Date: July 17, 2023



**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****A. CORPORATE INFORMATION**

Reliance Lithium Werks B.V. (the 'Company'), is a limited liability company incorporated in the Netherlands. The Company's registered office is at Hengelo, the Netherlands and the visiting address is at Colosseum 65, 751 PP Enchede. The company is registered in the Trade Register at the Chamber of Commerce under number 86090828.

The Company is a subsidiary of Reliance New Energy Limited incorporated in India. Reliance Industries Limited is the ultimate holding company.

The Company was incorporated on 8th April 2022.

The Company hosts accounting services. The Company is engaged in trading of cells and modules in Europe, Middle East and Africa.

**B. SIGNIFICANT ACCOUNTING POLICIES****B.1 BASIS OF PREPARATION AND PRESENTATION**

These special purpose financial statements ("financial statements") have been prepared for the limited purpose of consolidation into Reliance Industries Limited, the ultimate holding company, using accounting policies as specified herein after.

The financial statements have been prepared on the historical cost convention, on the accrual basis of accounting except for certain financial instruments (financial assets and financial liabilities) that are measured at fair values at the end of each reporting period, as stated in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement is categorised within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**B.2 PROPERTY, PLANT AND EQUIPMENT:**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management and includes borrowing costs capitalised in accordance with the Company's accounting policy. The Company depreciates property, plant and equipment on straight line method (SLM) based on management estimated useful lives which are as under:

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022**

<b>Class of asset</b>	<b>Useful Life</b>
Furniture and fixtures	7
Computers and equipments	5

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

**B.3 IMPAIRMENT:**

Impairment of non-financial assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**B.4 INVENTORIES**

Inventories are stated at the lower of cost and net realizable value, cost being determined on a weighted average basis.

**B.5 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****B.6 FOREIGN CURRENCIES**

Financial statements are maintained in EURO.

Transactions in currencies other than EURO (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the EURO closing rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising out of these transactions are recognised in the Statement of profit and loss.

**B.7 LEASES**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term (defined as leases with a lease term of 12 months or less) and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****B.8 EMPLOYEE BENEFITS**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive.

Defined contribution plans:

The Company's contribution under the 401K plan is considered as defined contribution and is charged as an expense as and when services are rendered by the employees.

**B.9 INCOME TAXES**

Tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or in equity. In this case, the tax is also recognised in OCI or in equity.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****B.10 REVENUE RECOGNITION**

Revenue is recognized based on the delivery of performance obligation and assessment of when control of promised goods / services is transferred to a customer, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods / services. Revenue is measured at the amount of the transaction price allocated to that performance obligation.

**a. Sale of Products**

Revenue from sale of products is recognised when the control on the goods has been transferred to a customer. The performance obligation in case of sale of products is satisfied at a point in time as per the terms of agreement with the individual customer.

**b. Revenue from services**

The Company uses input method for measurement of income from services as it is directly linked to expenses incurred by the Company.

**B.11 FINANCIAL INSTRUMENTS****1) Financial Assets****a. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**b. Subsequent measurement****Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****c. Impairment of financial assets**

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**II) Financial liabilities****a. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement of profit or loss as finance cost.

**b. Subsequent measurement:**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one period from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**III. Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the Statement of Profit and Loss.

**IV. Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**B.12 INVESTMENTS IN SUBSIDIARIES**

The Company has accounted for its investments in Subsidiaries at cost less impairment loss (if any).

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022****C. Critical accounting judgements and key sources of estimation uncertainty:**

In the application of the Company's accounting policies which are described in note B, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of the assets and liability that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**i) Impairment of non-financial assets**

Where indicators of impairment exist for an asset or cash generating unit ("CGU") Management determines the recoverable amount. As part of that determination, in assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, a valuation model is used.

**ii) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions, as well as, forward looking estimates at the end of each reporting period.

## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

## 1. PROPERTY, PLANT AND EQUIPMENT

(Amount in EURO)

Description	Gross Block				Accumulated Depreciation				Net Block
	As at	Additions for the period (refer note 20)	Deductions for the period	As at	As at	For the period	Deductions for the period	As at	As at
	8-Apr-22			31-Dec-22	8-Apr-22			31-Dec-22	31-Dec-22
Computers and Equipments	-	3,352	-	<b>3,352</b>	-	681	-	<b>681</b>	<b>2,671</b>
Furniture and Fixtures	-	23,130	-	<b>23,130</b>	-	3,616	-	<b>3,616</b>	<b>19,514</b>
<b>Total</b>	-	<b>26,482</b>	-	<b>26,482</b>	-	<b>4,297</b>	-	<b>4,297</b>	<b>22,185</b>

## 1A. RIGHT OF USE ASSETS

Description	Gross Block				Accumulated Amortisation				Net Block
	As at	Additions for the period	Deductions for the period	As at	As at	For the period	Deductions for the period	As at	As at
	8-Apr-22			31-Dec-22	8-Apr-22			31-Dec-22	31-Dec-22
Office Premises	-	58,582	-	<b>58,582</b>	-	31,183	-	<b>31,183</b>	<b>27,399</b>
<b>Total</b>	-	<b>58,582</b>	-	<b>58,582</b>	-	<b>31,183</b>	-	<b>31,183</b>	<b>27,399</b>



## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

(Amount in EURO)

2. NON-CURRENT INVESTMENTS	Units	As at December 31, 2022
<b>Investments measured at cost:</b>		
<b>In Ordinary shares of subsidiary companies</b>		
<b>Unquoted, fully paid up</b>		
Reliance Lithium Werks USA LLC. - Ordinary shares of USD 0.01 each	10000	93
Lithium Werks China Manufacturing Co. Ltd		15,359,445
Lithium Werks Technology B.V. - Ordinary shares of EURO 0.01 each	1000	40,816,837
<b>Total</b>		<b>56,176,375</b>

**Note on acquisition of investments:**

As a part of acquisition agreement, dated 14th March, 2022, Reliance New Energy Limited (holding company) has acquired investments in Lithium Werks Chir Manufacturing Co. Ltd and Lithium Werks Technology B.V. w.e.f. 1st August, 2022 and 1st May, 2022 respectively through the Company, from the previous owners of investee Companies.

3. TRADE RECEIVABLES (Unsecured and considered good)	As at December 31, 2022
Trade receivables - others	533,616
Trade receivable - related party (refer note 19)	1,005,752
<b>Total - A</b>	<b>1,539,368</b>
<b>(Unsecured and considered doubtful)</b>	
Trade receivables others	75,606
Less: Allowance for doubtful debts	(75,606)
<b>Total - B</b>	<b>-</b>
<b>Total A+B</b>	<b>1,539,368</b>

**Trade Receivable aging schedule (net of allowance)**

	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed - considered good	228,024	1,311,344	-	-	-	-	1,539,368
ii) Undisputed - considered doubtful	-	-	-	-	-	-	-
<b>Total</b>							<b>1,539,368</b>

Number of Customers representing over 10% of sale of products / services	2
Outstanding from the above Customers	1,149,563
Number of Customers representing more than 10% of trade receivables	2
Outstanding from the above Customers	1,309,523

Trade receivables are recorded at the invoiced amount and do not carry interest. The carrying value of the trade receivables approximates its fair value due to their short term nature.

The collection period ranges from 1 day to 90 days.

**Movement in allowance for doubtful debts:**

Balance at the beginning of the period	-
Additional allowance for current period	75,606
<b>Balance at the end of the period</b>	<b>75,606</b>

4. CASH AND CASH EQUIVALENTS	As at December 31, 2022
Bank Balances	11,008,644
<b>Total</b>	<b>11,008,644</b>

5. OTHER FINANCIAL ASSETS	As at December 31, 2022
Advances to related parties (refer note 19)	1,368,502
Security Deposit #	12,932
<b>Total</b>	<b>1,381,434</b>

# Represents deposit given for office

## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

(Amount in EURO)

<b>6. OTHER CURRENT ASSETS</b>	<b>As at December 31, 2022</b>
Prepaid Expenses	34,206
Advance to vendor (refer note 19)	1,643,880
<b>Total</b>	<b>1,678,086</b>

<b>7. SHARE CAPITAL</b>	<b>As at December 31, 2022</b>
<b>Issued, Subscribed and Paid up:</b>	
8,035,995 Ordinary shares of EURO 0.01 each fully paid up	80,360
<b>Total</b>	<b>80,360</b>

**7.1 The details of shareholders holding more than 5% shares:**

<b>Name of the Shareholders</b>	<b>As at December 31, 2022</b>	
	<b>No. of Shares</b>	<b>% held</b>
Reliance New Energy Limited	7,011,977	87.26%
Jet Werks LLC	512,009	6.37%
Paraply Holding AS	512,009	6.37%

<b>8. OTHER EQUITY</b>	<b>As at December 31, 2022</b>
<b>Securities Premium</b>	
Opening Balance	-
On shares issued during the period	52,244,063
<b>Retained Earnings</b>	
Opening Balance	-
Total Comprehensive income for the period	(187,387)
<b>Total</b>	<b>52,056,676</b>

<b>9. OTHER FINANCIAL LIABILITIES</b>	<b>As at December 31, 2022</b>
Payable to previous owners (refer note 2)	5,603,026
Compulsory Convertible Preference Shares (refer note 9.1 and 19)	13,275,000
<b>Total</b>	<b>18,878,026</b>

**9.1 Key terms attached to preference shares:**

- a. The Preference Shares shall automatically convert into Ordinary Shares after five years of the date of issuance of the relevant Preference Shares.
- b. The rate at which each Preference Share shall convert into an Ordinary Share shall be calculated as follows:
  - i. If at the moment of the conversion the Original Issue Price is lower than or equal to the Discounted Issue Price: one (1) Preference Share will be converted into a number of Ordinary Shares equal to the quotient obtained by dividing the Original Issue Price by eight euro and seventy cent (EUR 8.70).
  - ii. If at the moment of the conversion the Discounted Issue Price is lower than the Original Issue Price: one (1) Preference Share will be converted into a number of Ordinary Shares equal to the quotient obtained by dividing the Original Issue Price by the Discounted Issue provided that in case the nominal value of shares is changed, the conversion rate shall be adjusted proportionately in order to maintain the original ratio.
- c. Each Preference Share shall be entitled to receive dividend as and when declared by the General Meeting at an amount equal to six per cent (6%) (non-cumulative, non-compounded) on an annual basis (based on three hundred sixty-five (365) days a year) of:
  - i. the nominal value of the Preference Shares;
  - ii. the balance of the share premium reserve of the Preference Shares; and
  - iii. the balance of the dividend reserve of the Preference Shares.
- d. The Preference Share Dividend shall be payable only as and when dividends are paid on the outstanding Ordinary Shares.

## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

(Amount in EURO)

<b>10. TRADE PAYABLES</b>	<b>As at December 31, 2022</b>
Trade payables	
Trade payables - related party (refer note 19)	1,524
Trade payables - others	459,345
<b>Total</b>	<b>460,869</b>

The credit period in respect of trade payables ranges between 0 and 120 days

The carrying amount of the trade payables is considered a reasonable approximation of their respective fair value, due to their short-term nature.

**Trade payables aging schedule**

Particulars	Outstanding for the following period from due date of payment						Total	
	Unbilled	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years		More than 3 years
Trade Payable Others	326,000	126,676	8,193	-	-	-	-	<b>460,869</b>

<b>11. OTHER CURRENT LIABILITIES</b>	<b>As at December 31, 2022</b>
Advance from customers	240,198
VAT payable	86,902
<b>Total</b>	<b>327,100</b>

<b>12. PROVISIONS (CURRENT)</b>	<b>As at December 31, 2022</b>
<b>Restoration costs</b>	
Beginning balance	-
For the year	4,668
Unwinding of discount	175
<b>Closing Balance</b>	<b>4,843</b>

(Amount in EURO)

<b>13. REVENUE FROM OPERATIONS</b>	<b>8th April to 31st December 2022</b>
Sale of Products	
Cells and modules	9,021,874
Income from Services (refer note 19)	1,005,752
<b>Total</b>	<b>10,027,626</b>
<b>Revenue from Operations disaggregated based on Geography</b>	
- Europe, Middle East and Africa	9,021,874
- Other than Europe, Middle East and Africa	1,005,752
<b>Total</b>	<b>10,027,626</b>

## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

(Amount in EURO)

<b>14. EMPLOYEE BENEFITS EXPENSE</b>	<b>8th April to 31st December 2022</b>
Salaries and Wages	438,009
Contribution to Defined Contribution Plans	55,676
Staff Welfare Expenses	3,111
<b>Total</b>	<b>496,796</b>

<b>15. FINANCE COSTS</b>	<b>8th April to 31st December 2022</b>
Interest expenses on lease liability	1,388
Interest expenses - others	175
<b>Total</b>	<b>1,563</b>

<b>16. OTHER EXPENSES</b>	<b>8th April to 31st December 2022</b>
Freight	1,472
Insurance	92,079
Legal & Professional fees	298,601
Business promotion expenses	6,260
Allowance for doubtful debts	75,606
Auditors remuneration – audit fees	23,050
Software subscriptions	13,210
Bandwidth charges	1,600
Travel and accommodation	71,517
Receivables written off	174,421
Foreign exchange loss	833,354
Miscellaneous expenses	41,198
<b>Total</b>	<b>1,632,368</b>

<b>17. EARNINGS PER SHARES (EPS)</b>	<b>8th April to 31st December 2022</b>
Basic earnings per share is computed by dividing the net loss after tax attributable to the shareholders by the weighted average number of shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net loss after tax and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential shares.	
i) Net (Loss) after tax as per Statement of Profit and Loss attributable to ordinary shareholders (in EURO)	(187,387)
ii) Weighted average number of shares outstanding during the period	
-Basic	6,624,109
-Diluted	6,624,109
iii) Basic earnings per Share (in EURO)	(0.03)
iv) Diluted earnings per share (in EURO)*	(0.03)
v) Face value per share (in EURO)	0.01

\*Pursuant to the losses incurred by the Company, potential equity shares have not been considered for calculating diluted EPS as this will result in anti-dilutive EPS.

## Reliance Lithium Werks B.V.

Notes to the Financial Statements for the period 8th April 2022 to 31st December 2022 2022

(Amount in EURO)

<b>18. LEASES</b>	<b>8th April to 31st December 2022</b>
<b>18.1 LEASES LIABILITIES - MATURITY ANALYSIS (UNDISCOUNTED BASIS)</b>	
Lease payment due:	
Not Later than 1 year	25,617
Later than 1 year and not later than 5 years	-
Later than 5 years	-
<b>Total</b>	<b>25,617</b>

The breakdown of lease payments is as follows.	
<b>Particulars</b>	<b>8th April to 31st December 2022</b>
Fixed Payments	29,684
Variable Payments	-
<b>Total Payments</b>	<b>29,684</b>
The Company has lease arrangements of office premises. The lease term is expiring in 2023.	
The total cash outflow for leases amount to USD 29,684. There are no short term or variable leases.	
The discount rate used by the company is 5.65% (incremental borrowing rate) which is applied to lease liabilities recognised in the balance sheet.	

**Reliance Lithium Werks B.V.****Notes to the Financial Statements for the period ended 31st December 2022****(Amount in EURO)**

<b>19. RELATED PARTIES DISCLOSURES</b>		
As per Ind AS 24, the disclosures of relationships and transactions with the related parties are given below:		
<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Reliance Industries Limited	Ultimate holding company - control exists
2	Reliance New Energy Limited	Holding company - control exists
3	Reliance Lithium Werks USA LLC.	Subsidiary - control exists (w.e.f 19th April, 2022)
4	Lithium Werks China Manufacturing Co. Ltd	Fellow subsidiary (w.e.f 1st August, 2022)
5	Lithium Werks Technology B.V.	Subsidiary - control exists (w.e.f 1st May, 2022)

List of transactions during the period with related parties:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Related Parties</b>	<b>2022</b>
1	Income from services	Reliance Lithium Werks USA LLC.	1,005,752
2	Purchase of traded goods	Lithium Werks China Manufacturing Co. Ltd	4,910,366
3	Services availed	Reliance Lithium Werks USA LLC.	1,524
4	Advance given	Reliance Lithium Werks USA LLC.	1,260,587
5	Advance given	Lithium Werks Technology B.V.	107,915
6	Issue of preference shares	Reliance New Energy Limited	13,275,000
7	Reimbursement of expenses	Lithium Werks China Manufacturing Co. Ltd	508,537
8	Investment	Reliance Lithium Werks USA LLC.	93
9	Issue of ordinary shares	Reliance New Energy Limited	52,314,182
<b>Sr. No.</b>	<b>Balances as at the end of the period</b>	<b>Related Parties</b>	<b>As at December 31, 2022</b>
1	Trade Receivables	Reliance Lithium Werks USA LLC.	1,005,752
2	Trade Payables	Reliance Lithium Werks USA LLC.	1,524
3	Other financial assets	Reliance Lithium Werks USA LLC.	1,260,587
4	Other financial assets	Lithium Werks Technology B.V.	107,915
5	Other current assets	Lithium Werks China Manufacturing Co. Ltd	1,643,880
7	Other Financial Liabilities	Reliance New Energy Limited	13,275,000

20. As a part of acquisition agreement, dated 14th March, 2022, Reliance New Energy Limited (holding company) has acquired net liabilities of USD 103,692 from Lithium Werks BV., through the Company. The details of assets and liabilities acquired are as under:

**(Amount in EURO)**

Property, Plant and Equipment (net)	26,482
Other financial assets	12,932
Other Current Assets	4,021
Trade payables	(147,127)
<b>Net liabilities</b>	<b>(103,692)</b>

21. Category-wise classification of financial instruments &amp; fair value measurements:

The Company measures all the financial instruments at amortised cost.

The carrying amount of financial assets and liabilities recognised in the financial statements is assumed to approximate their fair values, since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

22. The financial statements are approved for issue by the Board of Directors at their meeting conducted on 28th June, 2023

For and on behalf of the Board

**Sanjay Mashruwala**  
Director

**Joe Fisher**  
Director

Place: Mumbai  
Date: July 18, 2023

Place: New York, USA  
Date: July 17, 2023