

**Reliance Lithium Werks USA LLC**  
**Financial Statements**  
**For the year ended December 31, 2023**

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF DIRECTORS OF RELIANCE LITHIUM WERKS USA LLC****Opinion**

We have audited the accompanying Special Purpose Financial Statements of Reliance Lithium Werks USA LLC (hereinafter referred to as "the Company") which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year 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 year ended December 31, 2023 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, 2023, and its loss, total comprehensive income, statement of changes in equity and its cash flows for the year 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.

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

As informed to us, there is no information other than special purpose financial statements. Consequently, in our opinion, the reporting requirement under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

**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.

### **Other Reporting Requirements**

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

### **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 April 22, 2024

(UDIN: 24102912BKEPFW9670)

Reliance Lithium Werks USA LLC  
Balance sheet as at December 31, 2023

	Notes	(Amount in USD)	
		As at	As at
		December 31	December 31
		2023	2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	51,982	80,151
Right of Use Assets	1A	341,416	465,568
Financial Assets			
Other financial assets	2	11,055	11,055
<b>Total Non-Current Assets</b>		<b>404,453</b>	<b>556,774</b>
<b>Current Assets</b>			
Inventories	3	1,101,472	1,638,867
Financial Assets			
Trade Receivables	4	6,173,029	3,922,516
Cash and Cash Equivalents	5	1,431,967	543,205
Other Financial Assets	6	7,000	5,200
Other Current Assets	7	880,817	205,478
<b>Total Current Assets</b>		<b>9,594,285</b>	<b>6,315,266</b>
<b>Total Assets</b>		<b>9,998,738</b>	<b>6,872,040</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	8	100	100
Other Equity	9	(9,314,690)	(5,174,205)
<b>Total Equity</b>		<b>(9,314,590)</b>	<b>(5,174,105)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities	21	248,629	361,176
Other financial liabilities	10	4,359,407	-
Provisions	11	4,276	4,038
<b>Total Non-Current Liabilities</b>		<b>4,612,312</b>	<b>365,214</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities	21	112,547	112,547
Trade Payables	12	14,392,804	9,599,042
Other Financial Liabilities	13	-	1,349,900
Other Current Liabilities	14	195,665	619,442
<b>Total Current Liabilities</b>		<b>14,701,016</b>	<b>11,680,931</b>
<b>Total Liabilities</b>		<b>19,313,328</b>	<b>12,046,145</b>
<b>Total Equity and Liabilities</b>		<b>9,998,738</b>	<b>6,872,040</b>

Corporate Information and Material Accounting Policies  
Notes to the Financial Statements

1 to 25

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: April 22, 2024

**Joe Fisher**  
Director

Date: April 19, 2024

Reliance Lithium Werks USA LLC  
Statement of Profit and Loss for the year ended 31st December 2023

		(Amount in USD)	
	Notes	For the year ended 31st December, 2023	19th April to 31st December, 2022
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Sale of Products	15	10,518,377	9,020,576
Income from Services	15	4,126,777	1,632
<b>Total Income</b>		<b>14,645,154</b>	<b>9,022,208</b>
<b>EXPENDITURE</b>			
Purchase of Stock-in-Trade		8,906,806	9,527,221
Changes in inventories of Stock-in-Trade	16	537,395	(1,638,867)
Employee Benefits Expense	17	4,032,511	2,713,010
Finance Costs	18	23,796	19,226
Depreciation and Amortisation Expense	1	152,321	103,261
Other Expenses	19	5,132,810	3,472,562
<b>Total Expenses</b>		<b>18,785,639</b>	<b>14,196,413</b>
<b>(Loss) Before Tax</b>		<b>(4,140,485)</b>	<b>(5,174,205)</b>
Tax Expenses:		-	-
<b>(Loss) for the Year/ period</b>		<b>(4,140,485)</b>	<b>(5,174,205)</b>
<b>Other Comprehensive Income (OCI)</b>		-	-
<b>Total Comprehensive Income for the Year/ Period</b>		<b>(4,140,485)</b>	<b>(5,174,205)</b>
<b>Earnings per share of face value of USD 0.01 each</b>			
	20		
Basic (in USD)		(414.05)	(517.42)
Diluted (in USD)		(414.05)	(517.42)

Corporate Information and Material Accounting Policies  
Notes to the Financial Statements

1 to 25

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: April 22, 2024

**Joe Fisher**  
Director

Date: April 19, 2024

Reliance Lithium Werks USA LLC  
Statement of Changes in Equity for the year ended 31st December 2023

**For the period ended December 31, 2023**

(a) Share Capital (Refer Note 8)

Particulars	Balance at the beginning of the year	Changes during the year	(Amount in USD)
			Balance at the end of the year
Share Capital	100	-	100

(b) Other equity (Refer Note 9)

Particulars	Balance at the beginning of the year	Changes during the year	(Amount in USD)
			Balance at the end of the year
		<b>Total Comprehensive Loss for the year</b>	
Retained Earnings	(5,174,205)	(4,140,485)	(9,314,690)
<b>Total</b>	<b>(5,174,205)</b>	<b>(4,140,485)</b>	<b>(9,314,690)</b>

**For the period ended December 31, 2022**

(a) Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in Equity during the period	(Amount in USD)
			Balance at the end of the reporting period
Share Capital	-	100	100

(b) Other equity

Particulars	Balance at the beginning of the reporting period	Changes during the period	(Amount in USD)
			Balance at the end of the reporting period
		<b>Total Comprehensive Income for the period</b>	
Retained Earnings	-	(5,174,205)	(5,174,205)
<b>Total</b>	<b>-</b>	<b>(5,174,205)</b>	<b>(5,174,205)</b>

Corporate Information and Material Accounting Policies  
Notes to the Financial Statements

1 to 25

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: April 22, 2024

**Joe Fisher**  
Director

Date: April 19, 2024

Reliance Lithium Werks USA LLC  
Statement of Profit and Loss for the year ended 31st December 2023

(Amount in USD)

	For the year ended 31st December, 2023	19th April to 31st December, 2022
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before Tax as per Statement of loss and Loss	(4,140,485)	(5,174,205)
Adjusted for:		
Depreciation & Amortisation expense	152,321	103,261
Finance costs	23,796	19,226
Allowance for doubtful debts	150,800	50,000
	<b>326,917</b>	<b>172,487</b>
<b>Operating loss before Working Capital Changes</b>	<b>(3,813,568)</b>	<b>(5,001,718)</b>
Adjusted for:		
Trade and other receivables	(3,078,452)	(3,952,022)
Inventories	537,396	(1,398,629)
Trade and other payables	4,369,986	11,086,410
	<b>1,828,929</b>	<b>5,735,759</b>
<b>Net Cash (used in)/ generated from Operating Activities</b>	<b>(1,984,639)</b>	<b>734,041</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	-	(49,136)
Consideration paid for acquisition of net assets (refer note 23)	-	(52,344)
<b>Net Cash (used in) Investing Activities</b>	<b>-</b>	<b>(101,480)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Lease Liability	(112,547)	(70,381)
Interest on lease liability	(23,559)	(19,075)
Advance from related parties (Refer Note 22)	3,009,507	-
Proceeds from issue of share capital	-	100
<b>Net Cash generated/ (used in) Financing Activities</b>	<b>2,873,401</b>	<b>(89,356)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>888,762</b>	<b>543,205</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>543,205</b>	<b>-</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 5)</b>	<b>1,431,967</b>	<b>543,205</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: April 22, 2024

**Joe Fisher**  
Director  
Date: April 19, 2024



**Reliance Lithium Werks USA LLC****Notes to the Financial Statements for the year ended 31st December 2023****A. CORPORATE INFORMATION**

Reliance Lithium Werks USA LLC (the 'Company'), is a limited liability Company incorporated in the State of Delaware, United States of America. The Company's registered office is at 1209 Orange Street, Wilmington, Country of New Castle, State of Delaware, 19801 USA. The Company is registered in the Trade Register at the Chamber of Commerce under number 6744245.

The Company is a 100% subsidiary of Reliance Lithium Werks B.V. incorporated in Netherlands. Reliance New Energy Limited is the parent company of Reliance Lithium Werks B.V. Reliance Industries Limited is the ultimate Holding Company.

The Company was incorporated on 19th April 2022.

The Company is an operating company. The main activities of the Company are to manage the Reliance Lithium Werks Group business including hosting the full management team as well as sales and operations. The Company is engaged in trading of cells and modules.

**B. MATERIAL 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:

Class of asset	Useful Life
Furniture and fixtures	7
Computers and equipments	5

**Reliance Lithium Werks USA LLC****Notes to the Financial Statements for the year ended 31st December 2023**

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 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.

**B.6 FOREIGN CURRENCIES**

Financial Statements are maintained in the US Dollars (US).

Transactions in currencies other than USD (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 USD 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.

**Reliance Lithium Werks USA LLC****Notes to the Financial Statements for the year ended 31st December 2023****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.

**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 USA LLC****Notes to the Financial Statements for the year ended 31st December 2023****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.

**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.

**Reliance Lithium Werks USA LLC****Notes to the Financial Statements for the year ended 31st December 2023****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.

**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 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 USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

1. PROPERTY, PLANT AND EQUIPMENT

(Amount in USD)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at	Additions for the year	Deductions for the year	As at	As at	Depreciation for the year	Deductions for the year	As at	As at	As at
	1-Jan-23			31-Dec-23	1-Jan-23			31-Dec-23	31-Dec-23	31-Dec-22
Computer and Equipments	46,804	-	-	46,804	18,495	18,902	-	37,397	9,407	28,309
Furniture and Fixtures	54,185	-	-	54,185	2,343	9,267	-	11,610	42,575	51,842
<b>Total</b>	<b>100,989</b>	<b>-</b>	<b>-</b>	<b>100,989</b>	<b>20,838</b>	<b>28,169</b>	<b>-</b>	<b>49,007</b>	<b>51,982</b>	<b>80,151</b>

1A. RIGHT OF USE ASSETS

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at	Additions for the year	Deductions for the year	As at	As at	Amortisation for the year	Deductions for the year	As at	As at	As at
	1-Jan-23			31-Dec-23	1-Jan-23			31-Dec-23	31-Dec-23	31-Dec-22
Office Premises	547,991	-	-	547,991	82,423	124,152	-	206,575	341,416	465,568
<b>Total</b>	<b>547,991</b>	<b>-</b>	<b>-</b>	<b>547,991</b>	<b>82,423</b>	<b>124,152</b>	<b>-</b>	<b>206,575</b>	<b>341,416</b>	<b>465,568</b>

1. PROPERTY, PLANT AND EQUIPMENT

(Amount in USD)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at	Additions for the period (refer note 22)	Deductions for the period	As at	As at	Depreciation for the period	Deductions for the period	As at	As at	
	19-Apr-22			31-Dec-22	19-Apr-22			31-Dec-22	31-Dec-22	
Computer and Equipments	-	46,804	-	46,804	-	18,495	-	18,495	28,309	
Furniture and Fixtures	-	54,185	-	54,185	-	2,343	-	2,343	51,842	
<b>Total</b>	<b>-</b>	<b>100,989</b>	<b>-</b>	<b>100,989</b>	<b>-</b>	<b>20,838</b>	<b>-</b>	<b>20,838</b>	<b>80,151</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	Amortisation for the period	Deductions for the period	As at	As at	
	19-Apr-22			31-Dec-22	19-Apr-22			31-Dec-22	31-Dec-22	
Office Premises	-	547,991	-	547,991	-	82,423	-	82,423	465,568	
<b>Total</b>	<b>-</b>	<b>547,991</b>	<b>-</b>	<b>547,991</b>	<b>-</b>	<b>82,423</b>	<b>-</b>	<b>82,423</b>	<b>465,568</b>	

Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in USD)

2. OTHER FINANCIAL ASSETS:	As at December 31, 2023	As at December 31, 2022
Security deposit #	11,055	11,055
<b>Total</b>	<b>11,055</b>	<b>11,055</b>

# Represents deposit given for office premises

3. INVENTORIES	As at December 31, 2023	As at December 31, 2022
Stock-in-Trade	1,031,092	909,567
Stock in transit	70,380	729,300
<b>Total</b>	<b>1,101,472</b>	<b>1,638,867</b>

i) The method of valuation of inventories is stated in B.4.

4. TRADE RECEIVABLES (Unsecured and considered good)	As at December 31, 2023	As at December 31, 2022
Trade receivables - others	2,046,252	3,920,884
Trade receivables - related parties (refer note 22)	4,126,777	1,632
<b>Total - A</b>	<b>6,173,029</b>	<b>3,922,516</b>
<b>(Unsecured and considered doubtful)</b>		
Trade receivables - others	2,424,435	2,273,635
Less: Allowance for doubtful debts	(2,424,435)	(2,273,635)
<b>Total - B</b>	<b>-</b>	<b>-</b>
<b>Total A+B</b>	<b>6,173,029</b>	<b>3,922,516</b>

Trade Receivables aging schedule (net of allowance)	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed - considered good	1,722,868	4,450,161	-	-	-	-	6,173,029
<b>Total</b>							<b>6,173,029</b>
Number of Customers representing over 10% of sale of products							2
Outstanding from the above Customers							7,107,703
Number of Customers representing more than 10% of trade receivables							2
Outstanding from the above Customers							3,649,523

Trade Receivables aging schedule (net of allowance)	Outstanding for following period from due date of payment						2022 Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed - considered good	3,237,399	685,117	-	-	-	-	3,922,516
ii) Undisputed - considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good							
iv) Disputed Trade receivables - considered doubtful							
<b>Total</b>							<b>3,922,516</b>
Number of Customers representing over 10% of sale of products							4
Outstanding from the above Customers							3,774,050
Number of Customers representing more than 10% of trade receivables							3
Outstanding from the above Customers							3,408,194

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 60 days.

Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in USD)

## Movement in allowance for doubtful debts:

Particulars	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the period	2,273,635	-
Allowance taken over a part of acquisition agreement (refer note 23)	-	2,223,635
Additional allowance for current year	150,800	50,000
<b>Balance at the end of the period</b>	<b>2,424,435</b>	<b>2,273,635</b>

(Amount in USD)

5. CASH AND CASH EQUIVALENTS	As at December 31, 2023	As at December 31, 2022
Bank balances	1,431,967	543,205
<b>Total</b>	<b>1,431,967</b>	<b>543,205</b>

6. OTHER FINANCIAL ASSETS	As at December 31, 2023	As at December 31, 2022
Deposit - others	7,000	5,200
<b>Total</b>	<b>7,000</b>	<b>5,200</b>

7. OTHER CURRENT ASSETS	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	202,671	205,478
Advance to vendors - Related party (Refer note 22)	460,554	-
Advance to vendors	217,592	-
<b>Total</b>	<b>880,817</b>	<b>205,478</b>



Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in USD)

8. SHARE CAPITAL	As at December 31, 2023	As at December 31, 2022
Issued, Subscribed and Paid up:		
10,000 Ordinary shares of USD 0.01 each fully paid up	100	100
<b>Total</b>	<b>100</b>	<b>100</b>

8.1 The details of shareholder holding more than 5% shares:

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Reliance Lithium Werks B.V	10,000	100%	10,000	100%

9. OTHER EQUITY	As at December 31, 2023	As at December 31, 2022
Retained Earnings		
Opening balance	(5,174,205)	-
Total Comprehensive income for the period	(4,140,485)	(5,174,205)
<b>Total</b>	<b>(9,314,690)</b>	<b>(5,174,205)</b>

10. OTHER FINANCIAL LIABILITIES	As at December 31, 2023	As at December 31, 2022
Advance from a related party (refer note 22)	4,359,407	-
<b>TOTAL</b>	<b>4,359,407</b>	<b>-</b>

11. PROVISIONS (NON-CURRENT)	As at December 31, 2023	As at December 31, 2022
Restoration costs		
Beginning balance	4,038	-
For the year	238	3,887
Unwinding of discount	-	151
<b>Closing Balance</b>	<b>4,276</b>	<b>4,038</b>

12. TRADE PAYABLES	As at December 31, 2023	As at December 31, 2022
Trade payables		
Trade payables - related parties (refer note 22)	13,528,217	8,804,297
Trade payables others	864,587	794,745
<b>Total</b>	<b>14,392,804</b>	<b>9,599,042</b>

The carrying amount of the trade payables is considered a reasonable approximation of their respective fair value, due to their short-term nature.  
The credit period in respect of trade payables ranges between 1 and 30 days.

Trade payables aging schedule as at 31st December 2023

Particulars	Outstanding for 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 payables	711,039	2,466,024	5,733,139	5,482,602	-	-	-	<b>14,392,804</b>

Trade payables aging schedule as at 31st December 2022

Particulars	Outstanding for 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 payables	90,081	3,115,927	6,386,194	6,840	-	-	-	<b>9,599,042</b>

13. OTHER FINANCIAL LIABILITIES	As at December 31, 2023	As at December 31, 2022
Advance from a related party (refer note 22)	-	1,349,900
<b>Total</b>	<b>-</b>	<b>1,349,900</b>

Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in USD)

14. OTHER CURRENT LIABILITIES	As at December 31, 2023	As at December 31, 2022
Advance from customers	195,665	619,442
<b>Total</b>	<b>195,665</b>	<b>619,442</b>

(Amount in USD)

15. REVENUE FROM OPERATIONS	For the year ended December 31, 2023	19th April to 31st December 2022
Sale of Products		
Cells and modules	10,518,377	9,020,576
Income from Services (refer note 22)	4,126,777	1,632
<b>Total</b>	<b>14,645,154</b>	<b>9,022,208</b>
<b>Revenue from Operations disaggregated based on Geography</b>		
- United States of America (USA)	10,518,377	9,020,576
- Other than USA	4,126,777	1,632
<b>Total</b>	<b>14,645,154</b>	<b>9,022,208</b>

16. CHANGES IN INVENTORIES OF STOCK-IN-TRADE	For the year ended December 31, 2023	19th April to 31st December 2022
<b>Stock at the beginning of the period</b>		
Stock-in-trade acquired for trading (including goods in transit)	1,638,867	-
<b>Total</b>	<b>1,638,867</b>	<b>-</b>
<b>Stock at the end of the period</b>		
Stock-in-trade acquired for trading (including goods in transit)	1,101,472	1,638,867
<b>Total</b>	<b>1,101,472</b>	<b>1,638,867</b>
<b>Changes in Inventories of Stock-In-Trade</b>	<b>537,395</b>	<b>(1,638,867)</b>

17. EMPLOYEE BENEFITS EXPENSE	For the year ended December 31, 2023	19th April to 31st December 2022
Salaries and Wages	3,371,252	2,300,552
Contribution to Defined Contribution Plans	205,756	143,991
Staff Welfare Expenses	455,503	268,467
<b>Total</b>	<b>4,032,511</b>	<b>2,713,010</b>

18. FINANCE COSTS	For the year ended December 31, 2023	19th April to 31st December 2022
Interest expenses on lease liability	23,559	19,075
Interest expenses - others	237	151
<b>Total</b>	<b>23,796</b>	<b>19,226</b>

19. OTHER EXPENSES	For the year ended December 31, 2023	19th April to 31st December 2022
Freight	219,647	270,033
Insurance	75,664	42,199
Legal & Professional fees	393,632	86,711
Business promotion expenses	49,559	137,473
Customs duty	207,390	187,173
Rates and taxes	19,498	19,632
Communication expenses	185,361	127,320
Allowance for doubtful debts	150,800	50,000
Auditors remuneration – audit fees	26,000	25,000
Software subscriptions	217,893	155,692
Bandwidth charges	109,573	68,514
Travel and accommodation	357,457	293,186
Accounting and patent administration fees (refer note 22)	944,353	1,360,713
Research & Development expense	2,000,000	-
Receivables written off	-	599,438
Miscellaneous expenses	175,983	49,478
<b>Total</b>	<b>5,132,810</b>	<b>3,472,562</b>

Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in USD)

20. EARNINGS PER SHARES (EPS)	As at December 31, 2023	19th April to 31st December 2022
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 earning 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 USD)	(4,140,485)	(5,174,205)
ii) Weighted average number of shares outstanding during the year/ period	10,000	10,000
iii) Basic and Diluted earnings per share (in USD)	(414.05)	(517.42)
iv) Face value per share (in USD)	0.01	0.01

21. LEASES	As at December 31, 2023	19th April to 31st December 2022
<b>LEASES LIABILITIES - MATURITY ANALYSIS (UNDISCOUNTED BASIS)</b>		
Lease payment due:		
Not Later than 1 year	112,547	136,106
Later than 1 year and not later than 5 years	250,664	389,699
Later than 5 years	-	-
<b>Total</b>	<b>363,211</b>	<b>525,805</b>
The breakdown of lease payments is as follows:		
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>19th April to 31st December 2022</b>
Fixed Payments	136,106	89,456
Variable Payments	-	-
<b>Total Payments</b>	<b>136,106</b>	<b>89,456</b>

The Company has lease arrangements of office premises. The lease term is expiring in 2026.

The total cash outflow for leases amount to USD 136,106. There are no short term or variable leases.

Reliance Lithium Werks USA LLC  
Notes to the Financial Statements for the year ended 31st December, 2023

(Amount in USD)

22. RELATED PARTIES DISCLOSURES		
The disclosures of relationships and transactions with the related parties are given below:		
Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate holding company - control exists
2	Reliance Lithium Werks B.V.	Holding company - control exists
3	Reliance New Energy Limited	Intermediate holding company - control exists
4	Reliance New Energy Battery Storage Limited	Fellow subsidiary
5	Lithium Werks China Manufacturing Co. Ltd	Fellow subsidiary (w.e.f 1st August, 2022)
6	Lithium Werks Technology B.V.	Fellow subsidiary (w.e.f 1st May, 2022)
7	Truman Joseph Fisher III - CEO	Key managerial personnel
8	John Aittama - COO	
9	Yazid Saidi - CTO	
10	Fred Wang - CFO	

List of transactions during the period with related parties:

Sr. No.	Particulars	Related Parties	1st January to 31st December 2023	19th April to 31st December 2022
1	Income from services	Reliance New Energy Battery Storage Ltd.	4,126,777	-
2	Income from services	Reliance Lithium Werks B.V.	-	1,632
3	Purchase of traded goods	Lithium Werks China Manufacturing Co. Ltd	8,533,042	7,773,508
4	Accounting fees	Reliance Lithium Werks B.V.	801,368	1,077,018
5	Patent administration fees	Lithium Werks Technology B.V.	142,984	283,695
6	Research and development expense	Lithium Werks China Manufacturing Co. Ltd	2,000,000	-
7	Advance received	Reliance Lithium Werks B.V.	3,009,507	1,349,900
8	Proceeds from issue of share capital	Reliance Lithium Werks B.V.	-	100
9	Advance given	Lithium Werks SZ	460,554	-
10	Remuneration and benefits	Key managerial personnels	1,229,231	843,333

Sr. No.	Balances as at the end of the period	Related Parties	As at December 31, 2023	As at December 31, 2022
1	Trade Receivables	Reliance Lithium Werks B.V.	-	1,632
2	Trade Receivables	Reliance New Energy Battery Storage Limited	4,126,777	-
2	Trade Payables	Lithium Werks China Manufacturing Co. Ltd	12,267,024	7,443,584
3	Trade Payables	Reliance Lithium Werks B.V.	834,513	1,077,018
4	Trade Payables	Lithium Werks Technology B.V.	426,679	283,695
5	Advance to vendors	Lithium Werks SZ	460,554	-
6	Other Financial Liabilities	Reliance Lithium Werks B.V.	4,359,407	1,349,900
7	Remuneration and benefits payable	Key managerial personnels	-	120,000

23. As a part of acquisition agreement, dated 14th March, 2022, Reliance New Energy Limited (Intermediate holding company) has acquired net assets of USD 52,344 from Lithium Werks, Inc., through the Company. The details of assets and liabilities acquired are as under:

(Amount in USD)

Property, Plant and Equipment (net)	51,853
Other financial assets	44,949
Inventories	240,238
Trade receivables (net of provision)	42,475
Other Current Assets	154,803
Trade payables	(481,974)
<b>Net assets</b>	<b>52,344</b>

24. Category-wise classification of financial instruments & fair value measurements:

The Company measures all the financials 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.

25. The financial statements are approved for issue by the Board of Directors at their meeting conducted on April 21, 2024.

For and on behalf of the Board

Joe Fisher  
Director

Date: April 19, 2024