**S M A & Co.**
Chartered Accountants

191-R, Cavel Cross Lane No. 9
2nd Floor, Dr. Viegas Street
Kalbadevi, Mumbai - 400 002

# Independent Auditors' Report

To The Members of
**RPL Sun Power Private Limited**

We have audited the accompanying Ind AS financial statements of **RPL Sun Power Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the Financial Statements**
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2017; its Loss, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable to the Company.

2. As required by section 143(3) of the Act, we report that:

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

   b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   d. In our opinion, the aforesaid Ind AS financial statements comply with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as Director in terms of section 164(2) of the Act;

   f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) There are no ongoing litigations as at the reporting date that would have a material impact on its financial position;

      ii) Based upon the assessment made by the Company, there are no long-term contracts for which there were any material foreseeable losses;

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

      iv) The Company did not have any holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016.

**For S M A & Co.**
Chartered Accountants
Regn.No.018452C

**Nitika Jain**
Partner
Membership No. 427716

Place: Mumbai
Date: April 08, 2017

## ANNEXURE TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting ('Financial Controls') of **RPL Sun Power Private Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2017.

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

**Auditors' Responsibility**
Our responsibility is to express an opinion on the Company's Financial Controls based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Financial Controls are established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of Financial Controls includes obtaining an understanding of Financial Controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**
Because of the inherent limitations of Financial Controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Financial Controls to future periods are subject to the risk that the Financial Controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**
In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2017, based on the Financial Controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

**For S M A & Co.**
Chartered Accountants
Regn.No.018452C

**Nitika Jain**
Partner
Membership No. 427716

Place: Mumbai
Date: April 08, 2017

**RPL Sunpower Private Limited**
(Formerly known as Reliance Biomass Power Private Limited)
**Balance Sheet as at March 31, 2017**

**Rupees in '000**

| **Particulars** | **Note** | **As at March 31, 2017** | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Financial assets | | | | |
| Investments | **3.1** | - | 100 | 67 |
| Cash and cash equivalents | **3.2** | **195** | 104 | 38 |
| Loans | **3.3** | **200** | 200 | - |
| **Total Assets** | | **395** | 404 | 105 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | **3.4** | **100** | 100 | 100 |
| Other equity | **3.5** | **(379)** | (353) | (58) |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Borrowings | **3.6** | **607** | 607 | 29 |
| Other financial liabilities | **3.7** | **67** | 50 | 34 |
| **Total Equity and liabilities** | | **395** | 404 | 105 |
| Significant Accounting Policies | **2** | | | |
| Notes on financial statements | **1 to 13** | | | |

The accompanying notes are an integral part of these financial statements.
As per our Report of even date

**For SMA & Co.**
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

**Nitika Jain**
Partner
Membership No.427716

**Sapna Purohit**
Director
DIN: 02329525

**Nimish Chitalia**
Director
DIN: 03483266

Place: Mumbai
Date: April 08,2017

Place: Mumbai
Date: April 08,2017

**RPL Sunpower Private Limited**

(Formerly known as Reliance Biomass Power Private Limited)

**Statement of Profit and Loss for the year ended March 31, 2017**

**Rupees in '000**

| **Particulars** | **Note** | **Year ended March 31, 2017** | Year ended March 31, 2016 |
|---|---|---|---|
| **Expenses** | | | |
| Generation, adminstration and other expenses | **3.8** | **26** | 295 |
| **Total expenses** | | **26** | 295 |
| **Profit / (loss) before tax** | | **(26)** | (295) |
| **Income tax expense** | | | |
| Current tax | | - | - |
| **Profit / (loss) after tax** | | **(26)** | (295) |
| **Earnings per equity share: (Face value of Rs. 10 each)** | | | |
| Basic and Diluted (Rupees) | **6** | **(2.6)** | (29.5) |
| Significant Accounting Policies | **2** | | |
| Notes on financial statements | **1 to 13** | | |

The accompanying notes are an integral part of these financial statements

As per our Report of even date

**For SMA & Co.**
Chartered Accountants
Regn. No.018452C

**Nitika Jain**
Partner
Membership No.427716

Place: Mumbai
Date: April 08,2017

For and on behalf of the Board of Directors

**Sapna Purohit**
Director
DIN: 02329525

**Nimish Chitalia**
Director
DIN: 03483266

Place: Mumbai
Date: April 08,2017

**RPL Sunpower Private Limited**
(Formerly known as Reliance Biomass Power Private Limited)
**Cash Flow Statement for the Year ended March 31, 2017**

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| | | Rupees in '000 |
| **(A) Cash Flow from/(used in) Operating Activities:** | | |
| Net Profit/ (Loss) Before Tax | (26) | (295) |
| Operating profit/(Loss) before working capital changes | (26) | (295) |
| Adjustments for: | | |
| Loans and advance given | - | (200) |
| Other Current liabilities | 17 | 594 |
| | 17 | 394 |
| Net Cash From/(used in) Operating Activities | **(9)** | **99** |
| **(B) Cash Flow from/(used in) Investing Activities:** | | |
| Purchase of Investment in Equity Shares | - | (100) |
| Sale of Investment in Equity Shares | 100 | 67 |
| Net Cash from/ (used in) Investing Activities | **100** | **(33)** |
| **Net Increase/ (Decrease) in Cash and Cash equivalents (A+B)** | **91** | **66** |
| **Cash and Cash equivalents at the beginning of the year:** | | |
| Bank Balance - current account | 104 | 38 |
| **Cash and Cash equivalents at the end of the year :** | | |
| Bank Balance - current account | 195 | 104 |

Previous year figures have been regrouped and recast wherever necessary.

As per our Report of even date

**For SMA & Co.**
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

**Nitika Jain**
Partner
Membership No.427716

**Sapna Purohit**
Director
DIN: 02329525

**Nimish Chitalia**
Director
DIN: 03483266

Place: Mumbai
Date: April 08,2017

Place: Mumbai
Date: April 08,2017

**RPL Sunpower Private Limited**
(Formerly known as Reliance Biomass Power Private Limited)
**Statement of changes in equity**

**A. Equity Share Capital**

| | Rupees in '000 |
|---|---|
| **Balance as at April 01, 2015** | **100** |
| Changes in equity share capital | - |
| **Balance as at March 31, 2016** | **100** |
| Changes in equity share capital | - |
| **Balance as at March 31, 2017** | **100** |

**B Other Equity**

Rupees in '000

| Particulars | Retained Earnings |
|---|---|
| | |
| **Balance as at April 01, 2015** | **(58)** |
| Profit / (loss) for the year | (295) |
| Other Comprehensive Income for the year | - |
| Total Comprehensive Income for the year | (295) |
| **Balance as at March 31, 2016** | **(353)** |
| Profit / (loss) for the year | (26) |
| Other Comprehensive Income for the year | - |
| Total Comprehensive Income for the year | (26) |
| | - |
| **Balance as at March 31, 2017** | **(380)** |

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

As per our Report of even date

**For SMA & Co.**
Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors

**Nitika Jain**
Partner
Membership No.427716

**Sapna Purohit**
Director
DIN: 02329525

**Nimish Chitalia**
Director
DIN: 03483266

Place: Mumbai
Date: April 08,2017

Place: Mumbai
Date: April 08,2017

Rupees in '000

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **3.1 Current investments** | | | |
| **Equity instruments (Non-trade, unquoted, fully paid-up, at cost) in Associates** | | | |
| RPL Sun Technique Private Limited<br>(Formerly known as Reliance Tidal Power Private Limited)<br>Nil (March 31, 2016: 5,000; April 01, 2015: 3,333) equity shares of Rs. 10 each | - | 50 | 34 |
| RPL Photon Private Limited<br>(Formerly known as Reliance Renewable Power Private Limited)<br>Nil (March 31, 2016: 5,000; April 01, 2015: Nil) equity shares of Rs. 10 each | - | 50 | - |
| RPL Sunshine Power Private Limited<br>(Formerly known as Solar Generation Company (Rajasthan) Private Limited )<br>Nil (March 31, 2016: Nil; April 01, 2015: 3,333) equity shares of Rs. 10 each | - | - | 33 |
| | - | 100 | 67 |
| **3.2 Cash and cash equivalents** | | | |
| Balance with banks: | | | |
| In current account | 195 | 104 | 38 |
| | 195 | 104 | 38 |
| **3.3 Current Loans**<br>(unsecured, considered good unless stated otherwise) | | | |
| Loans / advances to related party (Refer note 5) | 200 | 200 | - |
| | 200 | 200 | - |
| **3.5 Other equity** | | | |
| **Retained earnings** | | | |
| Balance at the beginning of the year | (353) | (58) | |
| Profit / (loss) for the year | (26) | (295) | |
| Balance at the end of the year | (379) | (353) | |
| | (379) | (353) | |
| **3.6 Current borrowings** | | | |
| Loans from related parties (Refer Note 5 ) | 607 | 607 | 29 |
| | 607 | 607 | 29 |
| **3.7 Other current financial liabilities** | | | |
| Other payables | 67 | 50 | 34 |
| | 67 | 50 | 34 |

Rupees in '000

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **3.4 Share capital** | | | |
| **Authorised** | | | |
| 10,000 (March 31, 2016: 10,000; April 01, 2015: 10,000) equity shares of Rs. 10 each | 100 | 100 | 100 |
| | 100 | 100 | 100 |
| **Issued, subscribed and paid up** | | | |
| 10,000 ((March 31, 2016: 10,000; April 01, 2015: 10,000) equity shares of Rs. 10 each fully paid-up | 100 | 100 | 100 |
| | 100 | 100 | 100 |

**3.4.1 Reconciliation of number of equity shares at beginning and at the end of the year**

| | | | |
|---|---|---|---|
| **Equity shares** | | | |
| Balance at the beginning of the year - 10,000 (March 31, 2016: 10,000; April 01, 2015: 10,000) shares of Rs. 10 each | 100 | 100 | 100 |
| Add / Less : Changes during the Year | - | - | - |
| Balance at the end of the year - 10,000 (March 31, 2016: 10,000; April 01, 2015: 10,000) shares of Rs. 10 each | 100 | 100 | 100 |

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

**Equity shares**
The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

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

| | As at March 31, 2017 | | As at March 31, 2016 | | As at April 01, 2015 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Percentage of share holding | No. of Shares | Percentage of share holding | No. of Shares | Percentage of share holding |
| **Equity Shares of Rs. 10 each fully paid up** | | | | | | |
| Reliance Power Limited<br>5,000 (March 31, 2016: Nil; April 01, 2015: Nil) equity shares of Rs. 10 each fully paid-up | 5,000 | 50% | - | - | - | - |
| Reliance Infrastructure Limited<br>5,000 (March 31, 2016: Nil; April 01, 2015: Nil) equity shares of Rs. 10 each fully paid-up | 5,000 | 50% | - | - | - | - |
| RPL Sunshine Power Private Limited (Formerly known as Solar Generation Company (Rajasthan) Private Limited)<br>Nil (March 31, 2016: Nil; April 01, 2015: 3,333) equity shares of Rs. 10 each fully paid-up | - | - | - | - | 3,333 | 33% |
| RPL Photon Private Limited (Formerly known as Reliance Renewable Power Private Limited)<br>Nil (March 31, 2016: 5,000; April 01, 2015: Nil) equity shares of Rs. 10 each fully paid-up | - | - | 5,000 | 50% | - | - |
| RPL Sun Technique Private Limited (Formerly known as Reliance Tidal Power Private Limited)<br>Nil (March 31, 2016: 5,000; April 01, 2015: 3,333) equity shares of Rs. 10 each fully paid-up | - | - | 5,000 | 50% | 3,333 | 33% |
| Reliance Geothermal Power Private Limited<br>Nil (March 31, 2016: Nil; April 01, 2015: 3,334) equity shares of Rs. 10 each fully paid-up | - | - | - | - | 3,334 | 34% |
| | 10,000 | 100% | 10,000 | 100% | 10,000 | 100% |

**RPL Sunpower Private Limited**
(Formerly known as Reliance Biomass Power Private Limited)
**Notes to the financial statements as of and for the year ended March 31, 2017**

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| | | Rupees in '000 |
| **3.8 Generation, Administration and other expenses** | | |
| Stamp duty and filing fees | 9 | 278 |
| Audit fees | 17 | 17 |
| | **26** | **295** |

## 1) General information

RPL Sunpower Private Limited (Formerly known as Reliance Biomass Power Private Limited), an Associate of Reliance Power Limited, with effect from June 16, 2016.

These financial statements were authorised for issue by the board of directors on April 08, 2017.

## 2) Significant accounting policies:

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

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

#### (a) Basis of preparation

**Compliance with Indian Accounting Standards**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). These are the Company's first Ind AS financial statements and Ind AS 101, 'First–time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the year presented.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in notes.

**Functional and presentation currency:**

The financial statements are presented in 'Indian Rupees', which is also the Company's functional currency.

#### (b) Historical cost convention

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

i. Defined benefit plans – plan assets that are measured at fair value;

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

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

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

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

**(c) Recent accounting pronouncements**

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The amendments do not have any material impact on the financial statements of the Company.

**(d) Foreign currency translation:**

**Functional and presentation currency**

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

**(e) Borrowing costs**

Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**(f) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(g) Investments and other financial assets**

**i. Classification**

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**ii. Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

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

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**iii. Impairment of financial assets**

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

**iv. Derecognition of financial assets**

A financial asset is derecognised only when:

i. the rights to receive cash flows from the asset have expired, or
ii. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**v. Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

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

**(h) Offsetting Financial instruments**

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

**(i) Financial liabilities**

**i. Classification as debt or equity**

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

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

**ii. Initial recognition and measurement**

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

The Company's financial liabilities include borrowings, dues to holding company and creditors for capital expenditure.

**iii. Subsequent measurement**

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

**Borrowings:** Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

**iv. Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(j) Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions**

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

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

**Contingent liabilities**

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

**Contingent Assets:**

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

**(k) Income tax**

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(l) Earnings per share**

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**(m) Cash flow statement**

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

**4) Details of remuneration to auditors:**

Rupees in '000

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| (a) As auditors | | |
| For statutory audit | 15 | 15 |
| For others | - | - |
| | 15 | 15 |

**5) Related party transactions:**

**A. Investing parties/promoters having significant influence on the Company directly or indirectly**

**Companies**
Reliance Power Limited ( R power)
Reliance Infrastructure Limited ( R infra)

**B. Other related parties with whom transactions have taken place during the year:**

RPL Sun technique Power Private Limited
RPL Photon Power Private Limited
Reliance Cleangen Power Limited
Reliance Green Power Private Limited
Reliance Geothermal Power Private Limited

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

Rupees in '000

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Transactions during the year:** | | |
| **Sale of non current investments** | | |
| RPL Sun technique Power Private Limited | 50 | - |
| RPL Photon Power Private Limited | 50 | - |
| Reliance Green Power Private Limited | - | 66 |
| | | |
| **Purchase of non current investments** | | |
| Reliance Green Power Private Limited | - | 100 |
| | | |
| **Loans / Advance given** | | |
| RPL Sun technique Power Private Limited | - | 100 |
| RPL Sunshine Power Private Limited | - | 100 |
| | | |
| **Loan / advance taken** | | |
| Reliance Cleangen Power Limited | - | 200 |
| Reliance Green Power Private Limited | - | 378 |
| | | |

Rupees in '000

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| **Closing balance** | | | |
| | | | |
| **Equity share capital (excluding premium)** | | | |
| Reliance Infrastructure Limited | 50 | - | - |
| Reliance Power Limited | 50 | - | - |
| RPL Photon Power Private Limited | - | 50 | - |
| RPL Sun technique Power Private Limited | - | 50 | 33 |
| RPL Sunshine Power Private Limited | - | - | 33 |
| Reliance Geothermal Power Private Limited | - | - | 33 |
| | | | |
| **Loan / advance taken** | | | |
| Reliance Cleangen Power Limited | 229 | 229 | 29 |
| Reliance Green Power Private Limited | 378 | 378 | - |
| | | | |

| | | | |
|---|---|---|---|
| **Loan / Advances given** | | | |
| RPL Sun technique Power Private Limited | 100 | 100 | - |
| RPL Sunshine Power Private Limited | 100 | 100 | - |
| | | | |
| **Non Current Investment** | | | |
| RPL Photon Power Private Limited | - | 50 | - |
| RPL Sunshine Power Private Limited | - | - | 33 |
| RPL Sun technique Power Private Limited | - | 50 | 33 |
| | | | |

6) **Earnings per share:**

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Profit / (loss) available to equity shareholders** | | |
| Profit / (loss) after tax (A) (Rupees in '000) | (26) | (295) |
| **Number of equity shares** | | |
| Weighted average number of equity shares outstanding (Basic) (B) | 10,000 | 10,000 |
| Basic and diluted earnings per share (A / B) (Rs.) | (2.6) | (29.5) |
| Nominal value of an equity share (Rs.) | 10.00 | 10.00 |

7) **Income taxes**

| **The reconciliation of tax expense and the accounting profit multiplied by tax rate :** | | **Rupees in '000** |
|---|---|---|
| **Particulars** | **March 31, 2017** | **March 31, 2016** |
| Profit / (loss) before tax | (26) | (295) |
| **Tax at the Indian tax rate of 30.90%** | (8) | (91) |
| Tax losses for which no deferred income tax was recognised | (8) | (91) |
| **Income tax expense** | - | - |

8) **Fair value measurements**

**(a) Financial instruments by category**

The Company does not have any financial assets or liabilities which are measured at FVTPL or FVOCI.

**Rupees in '000**

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 195 | 104 | 38 |
| Investments | - | 100 | 67 |
| Loans | 200 | 200 | - |
| **Total financial assets** | **395** | **404** | **105** |
| | | | |
| **Financial liabilities** | | | |
| Loans from related parties | 607 | 607 | 29 |
| Other financial liabilities | 67 | 50 | 34 |
| **Total financial liabilities** | **674** | **657** | **63** |

**(b) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. The company does not have long term financial assets and financial liabilities as at 31 March 2016 and 31 March 2017. Therefore table is presented only for financial assets and financial liabilities as at 1 April 2015.

**(c ) Valuation technique used to determine fair values**

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

The fair value of security deposits and borrowings has been considered same as carrying value since there have not been any material changes in the prevailing interest rates. Impact on account of changes in interest rates, if any has been considered immaterial.

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

There were no transfers between any levels during the year.

**9) Financial risk management**

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

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

**(a) Credit risk**

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

**Credit risk management**

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

**(b) Liquidity risk**

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

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

**Maturities of financial liabilities**

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

Rupees in '000

| March 31, 2017 | Less than 1 years | Between 1 year and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Loans from related parties | 307 | - | - | 307 |
| Inter-corporate deposits | 300 | - | - | 300 |
| Other financial liabilities | 67 | - | - | 67 |
| **Total financial liabilities** | **674** | - | - | **674** |

Rupees in '000

| March 31, 2016 | Less than 1 years | Between 1 year and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Loans from related parties | 607 | - | - | 607 |
| Other financial liabilities | 50 | - | - | 50 |
| **Total financial liabilities** | **657** | - | - | **657** |

Rupees in '000

| April 01, 2015 | Less than 1 years | Between 1 year and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Loans from related parties | 29 | - | - | 29 |
| Other financial liabilities | 34 | - | - | 34 |
| **Total financial liabilities** | **63** | - | - | **63** |

**10) Capital Management**

**Risk Management**

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

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

Rupees in '000

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| Equity | 280 | 253 | 42 |
| **Total** | **272** | **253** | **42** |

**11) Segment reporting**

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

**12) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**13)** During the year, the Company had no specified bank notes or no other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and there were no transaction during the period from November 8, 2016 to December, 30 2016.

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**As per our report of even date attached**

For **SMA & Co.**
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board of Directors

**Nitika Jain**
Partner
Membership No. 166729

**Sapna Purohit**
Director
(DIN: 02329525)

**Nimish Chitalia**
Director
(DIN: 03483266)

Place: Mumbai
Date: April 08,2017

Place: Mumbai
Date: April 08,2017