Pathak H.D. & Associates
Chartered Accountants

Independent Auditors' Report

To the Members of Reliance Energy Trading Limited

Report on the Financial Statements

Opinion

We have audited the Financial Statements of **Reliance Energy Trading Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no Key Audit Matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the 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 Companies Act, 2013, we give in the **Annexure A,**a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

Continuation sheet...

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to any of its directors during the year. Hence, the requirement of the Company for compliance under this section is not applicable.

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements. - Refer Note 16on Contingent Liabilities to the Financial statements;

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration No.107783W

Vishal D. Shah
Partner
Membership No.119303

Place: Mumbai
Date: May 15, 2019

Annexure A to Auditors' Report
Referred to in our Auditors' Report of even date to the members of Reliance Energy Trading Limited on the financial statements for the year ended March 31, 2019

(i) The Company does not have any fixed assets, hence the reporting requirements under paragraph 3(i) (a), (b) and (c) of the Order are not applicable.

(ii) As explained to us, there is no physical inventory in existence and hence, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to any company, firm Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Act. Accordingly, provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.

(vi) In our opinion and according to information given to us, no cost records have been prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, goods and service tax, wealth-tax, customs duty and cess as at March 31, 2019 which have not been deposited on account of a dispute are as follows.

Name of the statute	Nature of Dues	Amount (Rs.Lakh)	Period to which the amount relates	From where the dispute is pending
Finance Act, 1994	Service Tax	193.19 [1]	2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	Commissioner of Service Tax
Income Tax Act,1961	Income Tax	121.83 [2]	AY 2015-16	CIT (Appeals), Mumbai

Includes [1] Rs. 73.60 lakh and [2] Rs. 24.36 lakh has been paid

Continuation sheet...

(viii) According to the records of the Company examined by us and the information and explanation given to us, during the year the Company has not availed loan from financial institution or bank or debenture holders. Accordingly paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration as on March 31, 2019 and accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration No.107783W

Vishal D. Shah
Partner
Membership No.119303

Place: Mumbai
Date: May 15, 2019

Annexure – B to Auditor's report

Annexure to the Independent Auditor's Report referred under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial statements of Reliance Energy Trading Limited for year ended March 31, 2019.

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

We have audited the internal financial controls with reference to financial statements of Reliance Energy Trading Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 internal financial controls with reference to financial statements reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

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

Continuation sheet...

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with respect to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration No.107783W

Vishal D. Shah
Partner
Membership No.119303

Place: Mumbai
Date: May 15, 2019

Reliance Energy Trading Limited

Balance Sheet as at March 31, 2019

(₹ Lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	-	-
Advance Tax Assets (Net)	4	309.37	307.37
		309.37	307.37
Current Assets			
Financial Assets			
Trade Receivables	5	-	0.73
Cash and Cash Equivalents	6	3.01	6.97
Loans	7	-	513.00
Other Financial Assets	8	489.93	574.18
		492.94	1,094.88
Total Assets		802.31	1,402.25
Equity and Liabilities			
Equity Share Capital	9	200.00	200.00
Other Equity	10	602.11	1,155.60
		802.11	1,355.60
Current Liabilities			
Financial Liabilities			
Trade Payables	11		
Total outstanding dues to Micro and Small Enterprises		-	-
Total Outstanding dues to others		0.20	46.65
		0.20	46.65
Total Equity and Liabilities		802.31	1,402.25

The accompanying notes form an integral part of the financial statements (1 to 24).

As per our attached report of even date

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

For and on behalf of the Board of Directors

Vishal D. Shah
Partner
Membership No: 119303

Srilatha Gopal
Director
DIN No. 03289963

Venkata Rachakonda
Director
DIN No. 07014032

Place: Mumbai
Date: May 15, 2019

Place: Mumbai
Date: May 15, 2019

Reliance Energy Trading Limited

Statement of Profit and Loss for the year ended March 31, 2019

(₹ Lakh)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations		-	-
Other Income	12	46.71	70.01
Total Income		**46.71**	70.01
Expenses			
Depreciation	3	-	1.72
Other Expenses	13	600.20	30.22
Total Expenses		**600.20**	31.94
Profit / (Loss) before Tax		**(553.49)**	38.07
Income Tax Expenses	14		
Current Tax		-	11.60
Deferred Tax Liabilities / (Assets) (Net)		-	0.95
Tax adjustments for earlier years (Net)		-	(3.07)
		-	9.48
Profit / (Loss) after Tax		**(553.49)**	28.59
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Income-tax relating to the above		-	-
		-	-
Total Comprehensive Income		**(553.49)**	28.59
Earnings per equity share (Face Vale of ₹ 10/- each):	15		
Basic earnings per share		**(27.67)**	1.43
Diluted earnings per share		**(27.67)**	1.43

The accompanying notes form an integral part of the financial statements (1 to 24).

As per our attached report of even date

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

For and on behalf of the Board Directors

Vishal D. Shah
Partner
Membership No: 119303

Srilatha Gopal
Director
DIN No. 03289963

Venkata Rachakonda
Director
DIN No. 07014032

Place: Mumbai
Date: May 15, 2019

Place: Mumbai
Date: May 15, 2019

Reliance Energy Trading Limited

Statement of Cash Flow Statement for the year ended March 31, 2019

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Cash Flow from Operating Activities		
Profit Before Tax	(553.49)	38.07
Adjustments		
Interest Income	-	(63.32)
Depreciation	-	1.72
Provision for Doubtful Advances	506.50	-
Interest Receivable written off	84.09	-
Provision for Doubtful Debts	0.73	-
Provisions / Liabilities written back	(46.71)	
	544.61	(61.60)
Cash generated from Operations before Working Capital changes	(8.88)	(23.53)
Adjustments		
Increase / (Decrease) in Financial Assets and Other Assets	-	8.65
(Increase) / Decrease in Financial Liabilities and other Liabilities	0.26	(65.39)
	0.26	(56.75)
Cash Generated from / (Used In) Operating Activities	(8.62)	(80.28)
Taxes Paid	(2.00)	(17.91)
Net Cash Generated from / (used in) Operating Activities	(10.62)	(98.19)
B Cash Flow from Investing Activities		
Inter Corporate Deposit (Net)	6.50	89.00
Interest Income	0.16	4.50
	-	-
Net Cash Generated from / (Used in) Investing Activities	6.66	93.50
C Cash Flow from Financing Activities		
	-	-
Net Cash Generated from / (used In) Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash equivalents (A+B+C)	(3.96)	(4.69)
Cash and cash equivalents at the beginning of the year	6.97	11.66
Cash and cash equivalents at the end of the year	3.01	6.97
Net Increase/ (Decrease) in Cash and Cash Equivalent as disclosed above	(3.96)	(4.69)
Cash and cash equivalent at the end of the year comprise of Balance with banks in current accounts	3.01	6.97
Total Cash and cash equivalents	3.01	6.97

The accompanying notes form an integral part of the financial statements (1 to 24).

As per our attached report of even date

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

Vishal D. Shah
Partner
Membership No: 119303

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board Directors

Srilatha Gopal
Director
DIN No. 03289963

Venkata Rachakonda
Director
DIN No. 07014032

Place: Mumbai
Date: May 15, 2019

Reliance Energy Trading Limited

Statement of Changes in Equity

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
A Equity Share Capital		
Balance at the beginning of the year	**200.00**	200.00
Balance at the end of the year	**200.00**	200.00

B Other Equity

Retained Earnings	**(₹ Lakh)**
Balance as at April 01, 2017	1,127.01
Add : Profit for the year	28.59
	-
Balance as at March 31, 2018	1,155.60
Balance as at April 01, 2018	1,155.60
Add : Loss for the year	(553.49)
Balance as at March 31, 2019	602.11

The accompanying notes form an integral part of the financial statements (1 to 24).

As per our attached report of even date

For Pathak H.D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

For and on behalf of the Board of Directors

Vishal D. Shah
Partner
Membership No: 119303

Place: Mumbai
Date: May 15, 2019

Srilatha Gopal
Director
DIN No. 03289963

Venkata Rachakonda
Director
DIN No. 07014032

Place: Mumbai
Date: Mav 15, 2019

Reliance Energy Trading Limited

Notes Annexed to and forming part of the Financial Statements

Note 3 : Property, Plant and Equipment

(₹ Lakh)

Particulars	Furniture and Fixtures	Office Equipments	Total
Year ended March 31, 2018			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2017	0.96	4.50	5.46
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount as on March 31, 2018	**0.96**	**4.50**	**5.46**
Accumulated depreciation and impairment			
Opening accumulated depreciation and impairment as at April 1, 2017	0.43	3.31	3.74
Depreciation charge during the year	0.53	1.19	1.72
Disposals	-	-	-
Closing accumulated depreciation as on March 31,2018	**0.96**	**4.50**	**5.46**
Net carrying amount as on March 31, 2018	-	-	-
Year ended March 31, 2019			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2018	0.96	4.50	5.46
Additions	-	-	-
Disposals	0.96	4.50	5.46
Closing gross carrying amount as on March 31, 2019	-	-	-
Accumulated depreciation and impairment			
Opening accumulated depreciation and impairment as at April 1, 2018	0.96	4.50	5.46
Depreciation charge during the year	-	-	-
Disposals	0.96	4.50	5.46
Closing accumulated depreciation as on March 31, 2019	-	-	-
Net carrying amount as on March 31, 2019	-	-	-

Note 4 - Advance Tax Assets (Net)

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax (Net of Provision)	**309.37**	307.37
	309.37	307.37

Note 5 - Trade Receivables
(Unsecured, Considered good unless otherwise stated)

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good	**-**	0.73
Credit Impaired	**0.73**	-
	0.73	0.73
Less: Provision for Doubtful Debt	**(0.73)**	-
	-	0.73

Note 6 - Cash and Cash Equivalents:

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks; In Current Accounts	**3.01**	6.97
	3.01	6.97

Financial Assets

Note 7 - Loans
(Unsecured, considered good unless otherwise stated)

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Intercorporate Deposits to Others - considered good		513.00
considered doubtful	**506.50**	-
Less : Provision for Doubtful Advances	**(506.50)**	-
	-	513.00

Note 8 - Other Financial Assets

(₹ Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(Unsecured, Considered good unless otherwise stated)		
Interest recievable	-	84.25
Other Recoverable	**489.93**	489.93
	489.93	658.43

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2019

Note 12 - Other Income

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on Inter Corporate Deposits	-	63.32
Provisions / Liabilities written back	46.71	6.69
	46.71	70.01

Note 13 - Other Expenses

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
License and Application Fees	6.12	3.45
Legal and Professional Charges	2.06	8.95
Payment to Auditors		
Statutory Audit Fees	0.20	0.32
Provision for Doubtful Debts	0.73	5.52
Less : Provision for Doubtful Debt w/back	-	5.52
	0.73	-
Corporate Social Responsibility Expenditure	-	15.06
Provision for Doubtful Advances	506.50	-
Interest Receivable written off	84.09	-
Miscellaneous Expenses	0.50	2.44
	600.20	30.22

Note 14 - Income Tax and Deferred Tax

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense		
Current tax		
Current tax on profits for the year	-	11.60
Adjustments for current tax of prior periods	-	(3.07)
Total current tax expense (A)	-	8.53
Deferred tax		
Decrease in deferred tax assets	-	0.95
(Decrease) in deferred tax liabilities	-	-
Total deferred tax expense/(benefit) (B)	-	0.95
Income Tax Expenses (A+B)	-	9.48

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit / (Loss) before income tax		
Tax at the Indian tax rate of 26%		9.80
Income not considered for Tax purpose	-	(1.42)
Expenses not allowable for tax purposes	131.69	0.78
Corporate Social expenditure not allowable for Tax purpose	-	2.60
Tax losses for which no deferred income tax was recognised	12.22	(0.16)
Adjustments for current tax of prior periods	-	(2.12)
Income Tax Expenses	-	9.48

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2019

Corporate Information:

The Company is a public limited company incorporated and domiciled in India. The Registered Office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710. The Company is wholly owned subsidiary of the Reliance Infrastructure Limited.

The Company is in the business of sale and purchase of power through recognised power exchange, bilateral and barter system. However during the year, the Company has surrendered the trading license of Category 'IV' issued by Central Electricity Regulatory Commission (CERC). (Refer Note 19)

These financial statements of the Company for the year ended March 31, 2019 were authorised for issue by the board of directors on May 15, 2019. Pursuant to the provisions of section 130 of the Companies Act, 2013, the Central Government, Income tax authorities, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company has powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

1. Significant Accounting Policies:

a. Basis of Preparation. measurement and significant accounting policies:

(i) Compliance with Indian Accounting Standard (Ind AS)

The financial statements of the Company comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles.

(ii) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value;

(iii) Financial statements have been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards), Rules, 2015 issued by the Central Government.

b. Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- Held primarily for the purpose of trading

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c. Revenue Recognition:

The Company adopted IndAS 115"Revenue from Contracts with Customers" effective from April 01, 2018.

Since the Company does not have any Contracts with Customer, there is no impact of this on the financial statements.

Others:
Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend on Investment is recognized when the right to receive payment is established. All other items of income and expenses are accounted on accrual basis.

d. Financial Instruments:

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

(I) 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 Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

Initial

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 of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Subsequent

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 and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair Value through Other Comprehensive Income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair Value through Profit or Loss (FVTPL) :**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(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 and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) De recognition of Financial Assets

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

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 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.

(II) Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables.

(a) Subsequent measurement

After initial measurement, such financial liabilities are subsequently measured at amortized cost.

(b) Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using he effective interest method

(c) Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

(d) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring and non--recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial Instruments (including those carried at amortised cost) (Note No 2) and Quantitative disclosures of fair value measurement hierarchy (Note No 21).

e. 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.

f. Property, Plant and Equipment

Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

Depreciation:

Property, Plant and Equipment are depreciated under the straight line method as per the useful life and in the manner prescribed in Part 'C' under Schedule II of the Companies Act, 2013.

g. Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income tax expense for the year comprises of current tax and deferred tax.

h. Provisions:

Provisions for legal claims 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 can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 finance cost.

i. Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A Contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

j. Impairment of Non-financial Assets:

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

k. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l. 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.

m. Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

n. Earnings per share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Recent accounting pronouncements:

(a) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The company does not expect any impact on the financial statements on account of this amendment.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income
Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The company does not expect any impact on the financial statements on account of this amendment.

(c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not expect any impact on the financial statements on account of this amendment.

(d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not expect any impact on the financial statements on account of this amendment.

(e) Amendment to Ind AS 109– Prepayment Features with Negative Compensation:

The amendment relates to the existing requirements in IND AS 109 regarding termination rights in order to allow measurement at amortised cost (or depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.
The Group is currently evaluating the effect of this amendment on the Ind AS financial statements.

(f) Amendment to Ind AS 23- Borrowing Cost:

The amendments clarify that if specific borrowings remains outstanding after the related assets is ready for its intended use or sale, that borrowing becomes part of the fund that en entity borrows generally when calculating the capitalization rate on general borrowing.
The Group is currently evaluating the effect of this amendment on the Ind AS financial statements.

p. Rounding off amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh with two decimals, as per the requirement of Schedule III, unless otherwise stated.

2. Critical estimates and judgments:

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of trade receivables, loans and other financial assets
The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Refer note 22 on financial risk management where credit risk and related impairment disclosures are made.

15. Earnings Per Share:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Profit / (Loss) for Basic and Diluted Earnings per Share (₹ ₹ in lakh) (a)	**(553.49)**	28.59
B. Weighted Average number of equity shares		
For Basic Earnings per share (b)	**2,000,000**	2,000,000
For Diluted Earnings per share (c)	**2,000,000**	2,000,000
C. Earnings per share (Face Value of ₹ 10 per share)		
Basic (a/b)	**(27.67)**	1.43
Diluted (a/c)	**(27.67)**	1.43

16. Contingent Liabilities:

Claim against the Company not acknowledged as debts and under litigation –

Indirect Tax Claims of ₹ 193.19 lakh (₹ 193.19 lakh)

Income Tax Claims of for Assessment Year 2015-16 ₹ 121.83 lakh (₹ 121.83 lakh). Income Tax assessment for the A.Y. 2015-16 was concluded u/s 143(3) of the Income Tax Act, 1961 whereby a demand of ₹ 121.83 lakh (₹ 121.83 lakh) was raised. The Company has filed an appeal before CIT(A) against the said order. Meanwhile, the Company has paid an amount of ₹ 24.36 lakh against the said demand. Against the said outstanding demand, refund of ₹ 48.17 lakhs for AY 2017-18 has been adjusted.

17. Related Party Disclosures:

As per Ind AS – 24 "Related Party Disclosure", the Company's related parties and transactions with them in the ordinary course of business are disclosed below

(a) Parties where Control exists:
Holding Company: Reliance Infrastructure Limited (R Infra)

(b) Details of transactions during the year and closing balance

Particulars	(₹ Lakh)
Reimbursement of Expenses	
2018-19	2.00
2017-18	-
Closing Balance	
Equity Share Capital	
2018-19	200.00
2017-18	200.00

18. Segment Reporting:

The Company was engaged in "Trading in power" which in the context of Ind AS 108 "operating segment" is considered as the only segment. The company activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

19. The Company was in the business of sale and purchase of power through recognised power exchange, bilateral and barter system. However during the year the Company has surrendered the trading license of Category 'IV' issued by Central Electricity Regulatory Commission (CERC). Presently the management is exploring the various other businesses opportunities. Hence the accounts have been prepared on a going concern basis.

20. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no amounts due to Micro and Small Enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006. This information is based upon the extent to which the details are taken from the supplier's by the Company and has been relied upon by the auditor.

21. Fair Value Measurement and Financial Risk Management

(A) Fair Value Measurements

(a) Financial instruments by category

(₹ Lakh)

	March 31, 2019			March 31, 2018		
	FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	-	-	-	0.73
Loans	-	-	-	-	-	513.00
Other Recoverable	-	-	**489.93**	-	-	489.93
Interest Receivable	-	-	-	-	-	84.25
Cash and cash equivalents	-	-	**3.01**	-	-	6.97
Total financial assets	-	-	**492.94**	-	-	1,094.88
Financial liabilities	-	-		-	-	
Trade payables	-	-	**0.20**	-	-	46.65
Total financial liabilities	-	-	**0.20**	-	-	46.65

(b) Fair value hierarchy

This section explains the judgments 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 group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ Lakh)

Assets and liabilities disclosed at fair value - recurring fair value measurements as at March 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments at FVTPL				
Financial Assets				
Other Recoverable	-	-	**489.93**	**489.93**
Cash and cash equivalents	-	-	**3.01**	**3.01**
Financial Liabilities				
Trade Payable	-	-	**0.02**	**0.02**

(₹ Lakh)

Assets and liabilities disclosed at fair value - recurring fair value measurements as at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Financial Assets				
Trade receivables	-	-	0.73	0.73
Loans	-	-	513.00	513.00
Recoverable Advance		-	489.93	489.93
Interest receivable		-	84.25	84.25
Cash and cash equivalents		-	6.97	6.97
Financial Liabilities				
Trade Payable	-	-	46.65	46.65

There were no transfers between any levels during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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, preference shares and debentures which are included in level 3.

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

The carrying amounts of trade receivables, trade payables, inter corporate deposits and cash and cash equivalents are considered to have their fair values approximately equal to their carrying values.

(B) Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit rating	Diversification of bank deposits
Liquidity Risk	Trade Payable and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – security prices	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.
The Company is engaged in Power Trading business.
The Company does not have any significant exposure to credit risk.

(i) Credit risk management

Cash and cash equivalents & Other Financial Asset

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating ₹ 3.01 Lakh and ₹ 6.97 Lakh as at March 31, 2019 and March 31, 2018 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables for sale of power and service

The Company considers for impairment its receivables from customer The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. However, the Company has assessed that the concentrations of risk in these balance is not material considering the high collection efficiency.

(C) Liquidity risk

The exposure to Company's liquidity risk comprises of trade and other payable

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturities based on their contractual maturities for:

- all non-derivative financial liabilities

The following are contractual maturity of financial liability at the reporting date. The amounts are gross and undiscounted.

(₹ Lakh)

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
Trade payables			
March 31, 2019	**0.20**	**-**	**0.20**
March 31, 2018	46.65	-	46.65

(ii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises quoted mutual funds held by the Company and classified in the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company invests only in accordance with the limits set by the Company.

22. Capital Management

(a) The Company considers the following components of its Balance Sheet to be managed capital:

1. Total equity – share capital, share premium and retained earnings,

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholder. The capital structure of the group is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholder. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

23. Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence.

24. Previous year figures have been reclassified/ regrouped to confirm to the current year's classification/ grouping. However, it has no significant impact on presentation and disclosures made in the financial statements. Figures in bracket indicate previous year's figures.

As per our attached report of even date

For Pathak H. D. & Associates
Firm Registration No: 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board of Directors

Srilatha Gopal
Director
DIN No. 03289963

Venkata Rachakonda
Director
DIN No. 07014032

Place: Mumbai
Date: May 15,2019