

Reliance Energy Trading Limited

Balance Sheet as at March 31, 2017

Particulars	Note No.	(Rs. in Lakh)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-Current Assets				
(a) Property, Plant and Equipment	3	1.72	2.78	5.46
(b) Deferred Tax Assets	14	0.95	1.11	-
		<u>2.67</u>	<u>3.89</u>	<u>5.46</u>
Current Assets				
(a) Financial Assets				
Investments	4	-	3,411.06	2,755.64
Trade Receivables	5	7.37	7.37	2,934.53
Cash and Cash Equivalents	6	11.66	8.30	133.21
Loans	7	602.00	-	2,500.00
Other Financial Assets	8	517.36	2.00	222.02
(b) Current Tax Assets (Net)	9	297.99	200.65	264.38
		<u>1,436.38</u>	<u>3,629.38</u>	<u>8,809.78</u>
Total Assets		<u>1,439.05</u>	<u>3,633.27</u>	<u>8,815.24</u>
Equity and Liabilities				
(a) Equity Share Capital	10	200.00	2,065.00	2,065.00
(b) Other Equity	11	1,127.01	1,505.07	3,400.68
		<u>1,327.01</u>	<u>3,570.07</u>	<u>5,465.68</u>
Non-Current Liabilities				
(a) Deferred Tax Liabilities	15	-	-	0.46
		<u>-</u>	<u>-</u>	<u>0.46</u>
Current Liabilities				
(a) Financial Liabilities				
Trade payables	12	61.36	63.12	3,344.97
Other current liabilities	13	50.68	0.08	4.13
		<u>112.04</u>	<u>63.20</u>	<u>3,349.10</u>
Total Equity and Liabilities		<u>1,439.05</u>	<u>3,633.27</u>	<u>8,815.24</u>

The accompanying notes form an integral part of the financial statements (1 to 33).

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

Kapil Sharma Abhijit Banerjee
Director Director
DIN No. 07015756 DIN No. 00004385

Place: Mumbai
Date: April 10, 2017

Place: Mumbai
Date: April 10, 2017

Reliance Energy Trading Limited

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

Particulars	Note No.	(Rs. in Lakh)	
		Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	15	82.03	2,678.51
Other income	16	1,864.92	1,274.76
Total Income		1,946.95	3,953.27
Expenses			
Cost of Power Purchased	17	80.70	2,697.34
Employee Benefit expenses	18	0.84	7.59
Depreciation	3	1.06	2.68
Other Expenses	19	1,157.62	153.29
Total Expenses		1,240.22	2,860.90
Profit Before Tax		706.73	1,092.37
Income Tax Expenses			
Current Tax	14	150.00	375.00
Deferred Tax Liabilities / (Assets) (Net)		0.16	(1.57)
Tax adjustments for earlier years (Net)		(55.35)	4.92
		94.81	378.35
Profit After Tax		611.92	714.02
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Income-tax relating to the above		-	-
		-	-
Total Comprehensive Income		611.92	714.02
Earnings per equity share (Face Vale of Rs . 10/- each):			
	20		
Basic earnings per share		15.94	3.46
Diluted earnings per share		15.94	3.46

The accompanying notes form an integral part of the financial statements (1 to 33).

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Abhijit Banerjee
Director
DIN No. 00004385

Place: Mumbai
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Statement of Cash Flow Statement for the year ended March 31, 2017

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A Cash Flow from Operating Activities		
Profit Before Tax	706.73	1,092.37
Adjustments		
Interest Income	(185.37)	(367.47)
Depreciation	1.06	2.68
(Gain) on fair valuation of investments (net)	-	(2.78)
Dividend Income	(2.00)	(155.84)
Profit on Sale of Investments	(73.82)	(5.04)
	<u>(260.13)</u>	<u>(528.45)</u>
Cash generated from Operations before Working Capital changes	446.60	563.92
Adjustments		
Increase / (Decrease) in Financial Assets and Other Assets	(1,117.34)	5,847.19
(Increase) / Decrease in Financial Liabilities and other Liabilities	48.84	(3,285.89)
	<u>(1,068.50)</u>	<u>2,361.30</u>
Cash Generated from / (Used In) Operating Activities	(621.90)	2,925.22
Taxes Paid	(191.98)	(316.20)
Net Cash Generated from / (used In) Operating Activities	<u>(813.88)</u>	<u>2,609.02</u>
B Cash Flow from Investing Activities		
Interest Income	185.37	367.47
Purchase of Investments	(87.22)	(4,065.00)
Sale / Redemption of Investments	3,572.09	3,417.41
Dividend Income	2.00	155.84
Profit on Sale of Investments	-	-
Net Cash Generated from / (Used in) Investing Activities	<u>3,672.24</u>	<u>(124.28)</u>
C Cash Flow from Financing Activities		
Cancelled on Capital Reduction scheme during the period	(2,855.00)	-
Dividend Paid Including Dividend Distribution Tax	-	(2,609.65)
Net Cash Generated Used In Financing Activities	<u>(2,855.00)</u>	<u>(2,609.65)</u>
Net Increase/ (Decrease) in Cash and Cash equivalents (A+B+C)	<u>3.36</u>	<u>(124.91)</u>
Cash and cash equivalents at the beginning of the year	8.30	133.21
Cash and cash equivalents at the end of the year	11.66	8.30
Net Increase/ (Decrease) in Cash and Cash Equivalent as disclosed above	<u>3.36</u>	<u>(124.91)</u>
Cash and cash equivalent at the end of the year comprises of Balance with banks in current accounts	11.66	8.30
Total Cash and cash equivalents	<u>11.66</u>	<u>8.30</u>

The accompanying notes form an integral part of the financial statements (1 to 33).

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

Kapil Sharma
Director
DIN No. 07015756

Abhijit Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 10, 2017

Place: Mumbai
Date: April 10, 2017

Previous year figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable to those for current year.

Reliance Energy Trading Limited

Statement of Changes in Equity

(Rs. in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A Equity Share Capital			
Balance at the beginning of the year	2,065.00	2,065.00	2,065.00
Less : On account of Capital Reduction Scheme (Refer Note No. 30)	1,865.00	-	-
Balance at the end of the year	<u>200.00</u>	<u>2,065.00</u>	<u>2,065.00</u>
B Other Equity			
	Securities Premium Account	Retained Earnings	Total
Balance as at April 01, 2015	990.00	2,410.68	3,400.68
Add : Profit for the year	-	714.04	714.04
Transaction with owners in their capacity as owners :			
Less : Dividend Paid (including Dividend Distribution Tax)	-	2,609.65	2,609.65
Balance as at March 31, 2016	<u>990.00</u>	<u>515.07</u>	<u>1,505.07</u>
Balance as at April 01, 2016	990.00	515.07	1,505.07
Add : Profit for the year	-	611.94	611.94
Transaction with owners in their capacity as owners :			
Less : On account of Capital Reduction Scheme (Refer Note No. 30)	990.00	-	990.00
Balance as at March 31, 2017	<u>-</u>	<u>1,127.01</u>	<u>1,127.01</u>

The accompanying notes form an integral part of the financial statements (1 to 33).

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

Kapil Sharma **Abhijit Banerjee**
Director Director
DIN No. 07015756 DIN No. 00004385

Place: Mumbai
Date: April 10, 2017

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Reliance Energy Trading Limited

Notes Annexed to and forming part of Financial Statements

Corporate Information:

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

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.

These financial statements of the Company for the year ended March 31, 2017 were authorised for issue by the board of directors on April 10, 2017. 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 have 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. The policies set out below have been consistently applied during the years presented.

(ii) Basis of Preparation

The financial statements for all periods up to and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 ("Previous GAAP").

As these financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS, Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. 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 Note No 31.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

(iii) 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;

(iv) New Standards and Interpretations not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of Cash Flows" and Ind AS 102. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7 “Statement of Cash Flows”:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements.

- (v) 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. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker's (CODM) function is to allocate the resources of the entity and access the performance of the operating segment of the entity.

The Board assess the financial performance and position of the Company and makes strategic decision. It is identified as being the CODM for the Company. Refer Note No 23 for segment information presented.

c. 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.

d. Revenue Recognition:

Revenue from sale of power is accounted for based on rates agreed with the customers on delivery of power.

Margin earned on sale or purchase of energy through energy exchange which is recognized on the date of transaction with the exchange.

Margin on banking transactions which is recognized on delivery of power.

Margin on compensation for deviation of energy is accounted on its occurrence.

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.

e. 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.

(1) 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 No 33 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.

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 the effective interest method.

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 33).

f. 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.

g. 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to regard the fair values of all its property, plant and equipment as at April 01, 2015 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Refer Note No 27 for the first time adoption impact.

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.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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.

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.

n. 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.

o. 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.

q. 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 areas involving critical estimates or judgments are:

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 28 on financial risk management where credit risk and related impairment disclosures are made.

Fair valuation of Financial Instrument

The fair value of financial instrument that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and matches assumptions that are mainly based on market conditions existing at each Balance Sheet date.

Reliance Energy Trading Limited

Notes Annexed to and forming part of the Financial Statements

Note 3 : Property, Plant and Equipment

Particulars	(Rs. in Lakh)		
	Furniture and Fixtures	Office Equipments	Total
Net Carrying amount as on April 01, 2015	0.96	4.50	5.46
Year ended March 31, 2016			
Gross carrying amount			
Deemed cost as at April 1, 2015	0.96	4.50	5.46
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount as on March 31, 2016	0.96	4.50	5.46
Accumulated depreciation and impairment	-	-	-
Depreciation charge during the year	0.21	2.47	2.68
Disposals	-	-	-
Closing accumulated depreciation as on March 31,2016	0.21	2.47	2.68
Net Carrying amount as on March 31, 2016	0.75	2.03	2.78
Year ended March 31, 2017			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2016	0.96	4.50	5.46
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount as on March 31, 2017	0.96	4.50	5.46
Accumulated depreciation and impairment			
Opening accumulated depreciation and impairment as at April 1, 2016	0.21	2.47	2.68
Depreciation charge during the year	0.23	0.83	1.06
Disposals	-	-	-
Closing accumulated depreciation as on March 31,2017	0.44	3.30	3.74
Net carrying amount as on March 31, 2017	0.52	1.20	1.72

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets			
Note 4 : Current Investments (Investment in Mutual Funds Units at FVTPL)			
In Mutual Fund Units - Quoted			
Reliance Liquidity Fund - Direct Growth Plan Growth Option (Face Value of Rs 1,000/- each) (Nil Units (March 31, 2016 149,369.125 units), (April 1, 2015 130,608.808 units))	-	3,411.06	2,755.64
	<u>-</u>	<u>3,411.06</u>	<u>2,755.64</u>
			(in Rs.)
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Aggregate value of Quoted Investments			
Book Value	-	3,408.27	2,750.76
Market Value	-	3,411.06	2,755.64

Financial Assets

Note 5 - Trade Receivables
(Unsecured unless otherwise stated)

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good	7.37	7.37	2,934.53
Considered doubtful	5.52	5.52	-
	<u>12.89</u>	<u>12.89</u>	<u>2,934.53</u>
Less: Provision for Doubtful Debts	5.52	5.52	-
	<u>7.37</u>	<u>7.37</u>	<u>2,934.53</u>

Financial Assets

Note 6 - Cash and Cash Equivalents:

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks; in Current Accounts	11.66	8.30	133.21
	<u>11.66</u>	<u>8.30</u>	<u>133.21</u>

Financial Assets

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

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans - Intercorporate Deposits	602.00	-	2,500.00
	<u>602.00</u>	<u>-</u>	<u>2,500.00</u>

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets			
Note 8 - Other Financial Assets			
Current (Unsecured, Considered good unless otherwise stated)			
Earnest Money Deposits	2.00	2.00	2.02
Interest receivable	25.43	-	220.00
Other Recoverable (Refer Note 24)	489.93	-	-
	<u>517.36</u>	<u>2.00</u>	<u>222.02</u>

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 9 - Current Tax Assets (Net)			
Advance Tax (Net of Provision)	297.99	200.65	264.38
	<u>297.99</u>	<u>200.65</u>	<u>264.38</u>

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

(Rs. in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 10 - Share Capital			
(a) Authorised -			
25,000,000 (25,000,000) Equity Shares of Rs.10 each	2,500.00	2,500.00	2,500.00
(b) Issued Subscribed and Paid-up -			
No. of Issued, Subscribed and Paid Up Shares			
Shares at the beginning of the year	206.50	206.50	206.50
Less : On account of Capital Reduction Scheme (Refer Note No. 30)	186.50	-	-
	<u>20.00</u>	<u>206.50</u>	<u>206.50</u>
2,000,000 (20,650,000) Equity Shares of Rs.10 each fully paid up. (All the above shares are held by Reliance Infrastructure Limited, the holding company and its nominees)	200.00	2,065.00	2,065.00
	<u>200.00</u>	<u>2,065.00</u>	<u>2,065.00</u>

(c) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by Holding/ Ultimate Holding Company and/or their Subsidiaries/ Associates

Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding company and their subsidiaries/associates are as below:

Reliance Infrastructure Limited, the Holding Company 100% i.e. 2,000,000 (Previous Year 20,650,000) equity shares of Rs. 10 each fully paid	200.00	2,065.00	2,065.00
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(e) Details of shareholders holding more than 5% shares in the Company

Equity Shares of Rs. 10 each fully paid Reliance Infrastructure Limited, the Holding Company and its nominees

No of Shares	20.00	206.50	206.50
% of holding	100%	100%	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 11 - Other equity (Reserves & Surplus)			
Securities Premium Account			
Balance as per last Balance Sheet	990.00	990.00	990.00
Less : On account of Capital Reduction scheme (Refer Note No. 30)	990.00	-	-
	<u>-</u>	<u>990.00</u>	<u>990.00</u>
Retained Earnings			
Balance as per last Balance Sheet	515.07	2,410.68	4,383.59
Add: Profit /(loss) for the year	611.94	714.04	443.04
Less: Interim Dividend	-	2,168.25	2,065.00
Less: Tax On Dividend	-	441.40	350.95
	<u>1,127.01</u>	<u>515.07</u>	<u>2,410.68</u>
	<u>1,127.01</u>	<u>1,505.07</u>	<u>3,400.68</u>

Nature and purpose of Securities Premium Account:

Securities premium account is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Act.

Financial Liabilities

Note 12 - Trade and other payables

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payable (Refer Note No. 25)	57.76	59.49	3,328.17
Advance received from customers	-	-	15.30
Others	3.60	3.63	1.50
	<u>61.36</u>	<u>63.12</u>	<u>3,344.97</u>

Note 13 - Other current liabilities

Particulars	(Rs. in Lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Liabilities (Including statutory dues)	50.68	0.08	4.13
	<u>50.68</u>	<u>0.08</u>	<u>4.13</u>

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

(Rs. in Lakh)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Note 14 - Income Tax and Deferred Tax		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	150.00	375.00
Adjustments for current tax of prior periods	(55.35)	4.92
Total current tax expense (A)	<u>94.65</u>	<u>379.92</u>
Deferred tax		
Decrease in deferred tax assets	0.16	-
(Decrease) in deferred tax liabilities	-	(1.57)
Total deferred tax expense/(benefit) (B)	<u>0.16</u>	<u>(1.57)</u>
Income Tax Expenses (A+B)	94.81	378.35
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax	706.73	1,092.37
Tax at the Indian tax rate of 34.608%	244.59	378.05
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income not considered for Tax purpose	(327.74)	(53.93)
Expenses not allowable for tax purposes	-	49.31
Tax losses for which no deferred income tax was recognised	83.31	-
Unrecognised MAT Credit	150.00	-
Adjustments for current tax of prior periods	(55.35)	4.92
	<u>94.81</u>	<u>378.35</u>

Particulars	As at March 31, 2017	As at March 31, 2016	(Rs. in Lakh) As at April 1, 2015
(c) Tax losses and Tax credits			
Unused Capital Gains tax losses for which no deferred tax asset has been recognised			
Unused Tax Credits – MAT credit entitlement	150.00	-	-
(d) Deferred tax balances			
The balance comprises temporary differences attributable to:			
Deferred tax asset on account of:			
Property, Plant & Equipment	0.95	1.11	-
	<u>0.95</u>	<u>1.11</u>	<u>-</u>
Deferred tax liability on account of:			
Property, Plant & Equipment	-	-	0.46
Net Deferred Tax Assets	<u>0.95</u>	<u>1.11</u>	<u>(0.46)</u>
(e) Movement in deferred tax balances:			
Deferred Tax Assets / (Liability)			
As at April 1, 2015			(0.46)
(Charged) / Credited to Profit and Loss			1.57
As at March 31, 2016			<u>1.11</u>
(Charged) / Credited to Profit and Loss			(0.16)
As at March 31, 2017			<u>0.95</u>

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Note 15 - Revenue from Operations		
Income from sale of Power	82.03	2,678.51
	<u>82.03</u>	<u>2,678.51</u>

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Note 16 - Other Income		
Interest		
On Inter Corporate Deposits	31.45	174.30
Others	153.92	193.17
Dividends Income	2.00	155.84
Net gain on sale of Investments	73.82	5.04
Provisions / Liabilities written back	-	379.39
Recovery of Advance written off (Refer Note No.24)	1,603.73	364.15
Miscellaneous Income	-	0.09
Fair value gain on Financial Instruments through FVTPL	-	2.78
	<u>1,864.92</u>	<u>1,274.76</u>

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Note 17 - Purchase of Power		
Purchase of Power	80.70	2,695.56
Other Direct Expenses	-	1.78
	<u>80.70</u>	<u>2,697.34</u>

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Note 18 - Employee Benefit Expenses		
Salaries, Wages and Bonus (Contract Employee)	0.84	7.59
	<u>0.84</u>	<u>7.59</u>

Reliance Energy Trading Limited
Notes Annexed to and forming part of the Financial Statements

Particulars	(Rs. in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Note 19 - Other Expenses		
Travelling and Conveyance Expenses	0.01	0.06
License and Application Fees	0.86	1.42
Membership Fees	-	3.00
Legal and Professional Charges	12.84	5.35
Payment to Auditors		
Statutory Audit Fees	0.31	0.30
Provision for Doubtful Debts	-	5.52
Directors' Fees	0.92	1.71
Service Tax including Interest thereon	-	134.75
Corporate Social Responsibility Expenditure (Refer Note No. 26)	11.25	-
Compensation to Supplier (Refer Note No. 24)	1,127.29	-
Miscellaneous Expenses	4.14	1.18
	<u>1,157.62</u>	<u>153.29</u>

20. Earnings Per Share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. Profit for Basic and Diluted Earnings per Share (Rs. in lakh) (a)	611.92	714.02
B. Weighted Average number of equity shares		
For Basic Earnings per share (b)	3,839,452	20,650,000
For Diluted Earnings per share (c)	3,839,452	20,650,000
C. Earnings per share (Face Value of Rs.10 per share)		
Basic (a/b)	15.94	3.46
Diluted (a/c)	15.94	3.46

21. Contingent Liabilities:

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

Indirect Tax Claims of Rs 193.19 lakh (March 31, 2016 Rs. 193.19 lakh and April 01, 2015 Nil)

22. 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) Other related parties with whom transactions have taken place:

Fellow Subsidiary: BSES Rajdhani Power Limited (BRPL)

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

(Rs. in Lakh)

Particulars	R Infra	BRPL
Expenses		
Reimbursement of Expenses to Related Party		
2016-17	-	-
2015-16	0.15	-
Sales of Power (IEX)		
2016-17	105.00	-
2015-16	-	-
Amount Paid on Capital Reduction		
2016-17	2,855.00	-
2015-16	-	-
Balance Sheet Heads (Closing Balances)		
Sundry Debtors		
March 31, 2017	-	-
March 31, 2016	-	0.73

23. Segment Reporting:

The company is 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.

24. Arbitration

The Company has received an arbitration award on dated March 31, 2017 towards settlement of dispute with M/s. Manas Agro Industries and Infrastructure Limited (Manas) (Formerly known as Purfi Power and Sugar Limited) Accordingly Company has directed to pay an amount of Rs 1,127.29 lakh towards compensation (including interest of Rs.506.49 lakh) on account of breach of Long term Power purchase agreement with Manas. The same has been charged as expenses in the statement of Profit and loss.

Further as counter claim of Rs.1,603.73 lakh outstanding as on April 01,2016 as advances given by the Company to Manas which has been written off by the Company in earlier years has been accounted as Other Income. The Balance amount of Rs. 489.93 lakh has been shown as other financial assets in the Financial Statements.

25. 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 baded upon the extent to which the details are taken from the supplier's by the Company and has been relied upon by the auditors.

26. Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee consists of Ms. Prachi Gupte and Mr. Kapil Sharma. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. Expenditure during the year related to Corporate Social Responsibility as per Section 135 of the Act, read with Schedule VII thereof is Rs.11.25 Lakh.

a. Gross amount required to be spent by the Company during the year is Rs. 11.18 Lakh

b. Amount spent during the year on:

Particulars	(Rs in Lakh)		
	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	11.25	-	11.25

27. First time adoption of Ind AS

A. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening **Ind AS balance sheet, the Company has adjusted the** amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes

Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has not availed any optional exemptions and exceptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards",

Ind AS mandatory exceptions

Estimates

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investment in Mutual Funds carried at FVTPL

Classification and measurement of financial assets

Ind AS 101 requires the Company to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Transition to Ind AS- Reconciliation

(a) Reconciliation of Profit as per Ind AS with profit reported under Previous GAAP is as under:

(Rs in Lakh)	
Particulars	March 31, 2016
Net Profit after tax reported as per Previous GAAP	716.14
(Loss) on fair valuation / measurement of Investments	(2.09)
	714.05

(b) Reconciliations of other equity between Previous GAAP and Ind AS

(Rs in Lakh)		
Particulars	March 31, 2016	April 01, 2015
Other Equity (Reserves and Surplus) as per Previous GAAP	1,502.28	3,395.80
Add : Fair Value Gain of Financial Instrument through FVTPL	2.79	4.88
Other Equity as per Ind AS	1,505.07	3,400.68

(c) Reconciliations between Previous GAAP and Ind AS

(Rs in Lakh)			
Particulars'	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities	2,609.02	(4.88)	2,604.14
Net cash flow from investing activities	(124.28)	4.88	(119.40)
Net cash flow from financing activities	(2,609.65)	-	(2,609.65)
Net increase/(decrease) in cash and cash equivalents	(124.91)	-	(124.91)
Cash and cash equivalents as at April 01, 2015	133.21	-	133.21
Cash and cash equivalents as at March 31, 2016	8.30	-	8.30

Notes to First time adoption of Ind AS

Fair Value of Investment

The company has recognised investment in Mutual Fund at fair value through profit and loss account on the date of transition. Accordingly value of investment is increased by Rs. 4.88 lakh as at April 1, 2015 with corresponding adjustment to Retained earnings.

28. Fair Value Measurement and Financial Risk Management

(A) Fair Value Measurements

(a) Financial instruments by category

(Rs. in Lakh)

	March 31, 2017			March 31, 2016			April 01, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Mutual Funds	-	-	-	3,411.06	-	-	2,755.64	-	-
Trade receivables	-	-	7.37	-	-	7.37	-	-	2,934.53
Loans	-	-	602.00	-	-	-	-	-	2,500.00
Recoverable Advance	-	-	489.93	-	-	-	-	-	-
Security Deposits	-	-	2.00	-	-	2.00	-	-	2.02
Interest Receivable	-	-	25.43	-	-	-	-	-	220.00
Cash and cash equivalents	-	-	11.66	-	-	8.27	-	-	133.21
Total financial assets	-	-	1,138.39	3,411.06	-	17.64	2,755.64	-	6,789.76
Financial liabilities									
Trade payables	-	-	61.37	-	-	63.10	-	-	3,344.97

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

(Rs. in lakh)

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Trade receivables	-	-	7.37	7.37
Loans	-	-	602.00	602.00
Recoverable Advance	-	-	489.93	489.93
Security Deposit	-	-	2.00	2.00
Interest receivable	-	-	25.43	25.43
Cash and cash equivalents	-	-	11.66	11.66
Trade Payable	-	-	61.37	61.37

Reliance Energy Trading Limited
Notes Annexed to and forming part of Financial Statements

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2016	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Investments – Mutual Fund	3,411.06	-	-	3,411.06
Trade receivables	-	-	7.37	7.37
Security Deposit	-	-	2.00	2.00
Cash and cash equivalents	-	-	8.27	8.27
Trade Payable	-	-	63.09	63.09

Assets and liabilities measured at fair value - recurring fair value measurements as at April 01, 2015	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Investments – Mutual Fund	2,755.64	-	-	2,755.64
Trade receivables	-	-	2,934.53	2,934.53
Loans	-	-	2,500.00	2,500.00
Security Deposit	-	-	2.02	2.02
Interest receivable	-	-	220.00	220.00
Cash and cash equivalents	-	-	133.21	133.21
Trade Payable	-	-	3,344.97	3,344.97

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, short term security deposits, amount due from / to customers for sale of power and service 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.

Reliance Energy Trading Limited
Notes Annexed to and forming part of Financial Statements

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 Rs. 11.66 Lakh and Rs. 8.30 Lakh as at March 31, 2017 and March 31, 2016 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 customers. 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.

iii) Reconciliation of loss allowance provision – Trade receivables under general approach

	(Rs. in Lakh)
Reconciliation of loss allowance	12 months expected credit losses measured using general approach
Loss allowance as at April 01, 2015	Nil
Changes in loss allowance	5.52
Loss allowance as at March 31, 2016	5.52
Changes in loss allowance	-
Loss allowance as at March 31, 2017	5.52

(B) Liquidity risk

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

Reliance Energy Trading Limited
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(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 amount are gross and undiscounted.

(Rs. in Lakh)

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
Trade payables			
March 31, 2017	61.36	-	61.36
March 31, 2016	63.09	-	63.09
April 01, 2015	3,344.97	-	3,344.97

(Rs. in Lakh)

Other Financial Liabilities	Less than 1 year	More than 1 year	Total
Other Current Liabilities			
March 31, 2017	50.68	-	50.68
March 31, 2016	0.08	-	0.08
April 01, 2015	4.13	-	4.13

(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.

(b) Sensitivity

(Rs. in Lakh)

	Impact on other components of equity		
	March 31, 2017	March 31, 2016	April 01, 2015
Price increase by 10%	-	341.11	275.56
Price decrease by 10%	-	(341.11)	275.56

29. 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 shareholders. The capital structure of the group is based on management's judgement 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.

Reliance Energy Trading Limited
Notes Annexed to and forming part of Financial Statements

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

30. Scheme of Capital Reduction

The Company at its Extra Ordinary General Meeting held on January 18, 2016 passed a special resolution pursuant to Section 52 of the Companies Act, 2013 and Section 100 to 103 of the Companies Act, 1956 as may be applicable the issued, subscribed and paid up equity capital of the Company shall be reduced from Rs. 2,065 lakh divided into 2,06,50,000 equity shares of Rs. 10 each fully paid up to Rs. 200 lakh divided into 20,00,000 equity shares of Rs 10/- each fully paid up by cancellation of 1,86,50,000 equity shares of Rs 10/- each held by Reliance Infrastructure Limited and that this reduction of share capital shall be made by paying an aggregating consideration of Rs 2,855 lakh and utilization of the entire balance in the Securities Premium Account Rs. 990 Lakh.

The Bombay High Court has passed the order dated May 6, 2016 approving reduction in the Capital and its utilization.

Accordingly, the Company has reduce its Share Capital from Rs. 2,065 lakh divided into 2,06,50,000 equity shares of Rs. 10 each fully paid up to Rs. 200 lakh divided into 20,00,000 equity shares of Rs 10/- each fully paid up and Securities Premium Account from Rs 990 lakh to Rs. Nil in the books of account. The said reduction in aggregate amounting to Rs. 2,855 lakh has been considered as a Capital Reduction in other equity.

31. The Company has only contract employee as on March 31, 2017, hence it is not required to pay Gratuity under Payment of Gratuity Act and accordingly no provision for defined benefit plan i.e. Gratuity has been made in the financial statements.

32. Specified Bank Notes

The Company did not have any holding or dealing in specified bank note during the period from November 8, 2016 to December 30, 2016, hence disclosure envisaged in notification G.S.R 308 (E) dated March 30, 2017 is not applicable to the Company.

33. 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.

As per our attached report of even date

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

For and on behalf of the Board of Directors

Vishal D. Shah
Partner
Membership No. 119303

Kapil Sharma
Director
DIN No. 07015756

Prachi Gupte
Director
DIN No. 07010876

Place: Mumbai
Date: April 10, 2017

Place: Mumbai
Date: April 10, 2017

Reliance Energy Trading Limited
Notes Annexed to and forming part of Financial Statements

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

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Director
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Abhijit Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 10, 2017

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