Independent Auditors' Report

To the Members of Reliance Energy Trading Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying financial statements of Reliance Energy Trading Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of state of affairs (financial position), Profits (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profits (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 Ind AS 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;

    e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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, 2018 on its financial position in its Ind AS financial statements. - Refer Note 19 on Contingent Liabilities to the Ind AS 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, 2018.

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

Vishal D.Shah
Partner
Membership No. 119303

Place : Mumbai
Date : April 20, 2018

Annexure A to Auditors' Report
Referred to in our Auditors' Report of even date to the members of Reliance Energy Trading Limited on the Ind AS financial statements for the year ended March 31, 2018

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The Company does not have any fixed assets at the end of the year, hence the reporting requirement under clause 3(i)(b) of the order is not applicable.

(c) The Company does not have any immovable properties, hence the reporting requirements under clause (i)(c) of paragraph 3 of the Order is 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, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, 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, sales tax, service tax, customs duty, excise duty, value added tax, 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, service-tax, customs duty, excise duty, value added tax and cess as at March 31, 2018 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),

Includes [1] Rs. 73.60 lakh and [2] Rs. 24.36 lakh paid under protest.

(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, 2018 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 Ind AS 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: April 20, 2018

Annexure - B to Auditor's report

Annexure to the Independent Auditor's Report referred to in paragraph 10(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Ind AS financial statements of Reliance Energy Trading Limited

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 over financial reporting of Reliance Energy Trading Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 over financial reporting 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". 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 over financial 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 Companies Act, 2013, 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting 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 : April 20, 2018

Reliance Energy Trading Limited

Balance Sheet as at March 31, 2018

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	-	1.72
Deferred Tax Assets	14	-	0.95
		-	2.67
Current Assets			
Financial Assets			
Trade Receivables	4	**0.73**	7.37
Cash and Cash Equivalents	5	**6.97**	11.66
Loans	6	**513.00**	602.00
Other Financial Assets	7	**574.18**	517.36
Current Tax Assets (Net)	8	**307.37**	297.99
		1,402.25	1,436.38
Total Assets		**1,402.25**	1,439.05
Equity and Liabilities			
Equity Share Capital	9	**200.00**	200.00
Other Equity	10	**1,155.60**	1,127.01
		1,355.60	1,327.01
Current Liabilities			
Financial Liabilities			
Trade Payables	11	**46.65**	61.36
Other Current Liabilities	12	-	50.68
		46.65	112.04
Total Equity and Liabilities		**1,402.25**	1,439.05

The accompanying notes form an integral part of the financial statements (1 to 28).

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: April 20, 2018

For and on behalf of the Board of Directors

Kapil Sharma
Director
DIN No. 07015756

Abhijlt Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 20, 2018

Reliance Energy Trading Limited

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	13	-	82.03
Other Income	14	70.01	1,864.92
Total Income		70.01	1,946.95
Expenses			
Cost of Power Purchased	15	-	80.70
Employee Benefit expenses	16	-	0.84
Depreciation	3	1.72	1.06
Other Expenses	17	30.22	1,157.62
Total Expenses		31.94	1,240.22
Profit Before Tax		38.07	706.73
Income Tax Expenses	14		
Current Tax		11.60	150.00
Deferred Tax Liabilities / (Assets) (Net)		0.95	0.16
Tax adjustments for earlier years (Net)		(3.07)	(55.35)
		9.48	94.81
Profit After Tax		28.59	611.92
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Income-tax relating to the above		-	-
		-	-
Total Comprehensive Income		28.59	611.92
Earnings per equity share (Face Vale of ₹ 10/- each):	20		
Basic earnings per share		1.43	15.94
Diluted earnings per share		1.43	15.94

The accompanying notes form an integral part of the financial statements (1 to 28).

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: April 20, 2018

For and on behalf of the Board Directors

Kapil Sharma
Director
DIN No. 07015756

Abhijlt Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 20, 2018

Reliance Energy Trading Limited

Statement of Cash Flow Statement for the year ended March 31, 2018

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A Cash Flow from Operating Activities		
Profit Before Tax	**38.07**	706.73
Adjustments		
Interest Income	**(63.32)**	(185.37)
Depreciation	**1.72**	1.06
Dividend Income	**-**	(2.00)
Profit on Sale of Investments	**-**	(73.82)
	(61.60)	(260.13)
Cash generated from Operations before Working Capital changes	**(23.53)**	446.60
Adjustments		
Increase / (Decrease) in Financial Assets and Other Assets	**8.64**	(515.34)
(Increase) / Decrease in Financial Liabilities and other Liabilities	**(65.39)**	48.84
	(56.75)	(466.50)
Cash Generated from / (Used In) Operating Activities	**(80.28)**	(19.90)
Taxes Paid	**(17.91)**	(191.98)
Net Cash Generated from / (used in) Operating Activities	**(98.19)**	(211.88)
B Cash Flow from Investing Activities		
Inter Corporate Deposit (Net)	**89.00**	(602.00)
Interest Income	**4.50**	185.37
Purchase of Investments	**-**	(87.22)
Sale / Redemption of Investments	**-**	3,498.27
Dividend Income	**-**	2.00
Profit on Sale of Investments	**-**	73.82
Net Cash Generated from / (Used in) Investing Activities	**93.50**	3,070.24
C Cash Flow from Financing Activities		
Cancelled on Capital Reduction scheme during the period	**-**	(2,855.00)
Net Cash Generated Used In Financing Activities	**-**	(2,855.00)
Net Increase/ (Decrease) in Cash and Cash equivalents (A+B+C)	**(4.69)**	3.36
Cash and cash equivalents at the beginning of the year	**11.66**	8.30
Cash and cash equivalents at the end of the year	**6.97**	11.66
Net Increase/ (Decrease) in Cash and Cash Equivalent as disclosed above	**(4.69)**	3.36
Cash and cash equivalent at the end of the year comprise of Balance with banks in current accounts	**6.97**	11.66
Total Cash and cash equivalents	**6.97**	11.66

The accompanying notes form an integral part of the financial statements (1 to 28).

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

Abhijlt Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 20, 2018

Place: Mumbai
Date: April 20, 2018

Reliance Energy Trading Limited

Statement of Changes in Equity

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
A Equity Share Capital		
Balance at the beginning of the year	**200.00**	2,065.00
Less : On account of Capital Reduction Scheme (Refer Note No. 30)	**-**	1,865.00
Balance at the end of the year	**200.00**	200.00

B Other Equity

	Securities Premium Account	Retained Earnings
Balance as at April 01, 2016	990.00	515.07
Add : Profit for the year	-	611.94
Transaction with owners in their capacity as owners :		
Less : On account of Capital Reduction Scheme (Refer Note No. 27)	990.00	-
Balance as at March 31, 2017	-	1,127.01
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**

The accompanying notes form an integral part of the financial statements (1 to 28).

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: April 20, 2018

Kapil Sharma
Director
DIN No. 07015756

Abhijlt Banerjee
Director
DIN No. 00004385

Place: Mumbai
Date: April 20, 2018

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2018

Financial Assets

Note 4 - Trade Recievables
(Unsecured, Considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	**0.73**	7.37
Considered doubtful	**-**	5.52
	0.73	12.89
Less: Provision for Doubtful Debts	**-**	5.52
	0.73	7.37

Financial Assets

Note 5 - Cash and Cash Equivalents:

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks; in Current Accounts	**6.97**	11.66
	6.97	11.66

Financial Assets

Note 6 - Loans
(Unsecured, considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans - Intercorporate Deposits	**513.00**	602.00
	513.00	602.00

Financial Assets

Note 7 - Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
(Unsecured, Considered good unless otherwise stated)		
Interest recievable	**84.25**	25.43
Other Recoverable (Refer Note 22)	**489.93**	491.93
	574.18	517.36

Note 8 - Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Tax (Net of Provision)	**307.37**	297.99
	307.37	297.99

Note 9 - Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Authorised -		
25,000,000 (25,000,000) Equity Shares of ₹10 each	**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	**20.00**	206.50
Less : On account of Capital Reduction Scheme (Refer Note No. 27)	**-**	186.50
	20.00	20.00
2,000,000 (2,000,000) Equity Shares of ₹ 10 each fully paid up. (All the above shares are held by Reliance Infrastructure Limited, the holding company and its nominees)	**200.00**	200.00
	200.00	200.00

(c) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 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 and its nominee 100% i.e. 2,000,000 equity shares of ₹ 10 each fully paid	**20.00**	20.00

(e) Details of shareholders holding more than 5% shares in the Company

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

No of Shares	**20.00**	20.00
% of holding	**100%**	100%

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2018

Note 11 - Other Equity (Reserves & Surplus)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium Account		
Balance as per last Balance Sheet	-	990.00
Less : On account of Capital Reduction scheme (Refer Note No. 27)	-	990.00
	-	-
Retained Earnings		
Balance as per last Balance Sheet	**1,127.01**	515.07
Add: Profit for the year	**28.59**	611.94
	1,155.60	1,127.01
	1,155.60	1,127.01

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 Payables

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues to Micro and Small Enterprises	-	-
Total Outstanding dues to others (Refer Note No. 23)	**46.65**	61.36
	46.65	61.36

Financial Liabilities

Note 13 - Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Liabilities (Including statutory dues)	-	50.68
	-	50.68

Note 14 - Income Tax and Deferred Tax

(₹ in Lakh)

Particulars	As at March 31, 2018	Year Ended March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	**11.60**	150.00
Adjustments for current tax of prior periods	**(3.07)**	(55.35)
Total current tax expense (A)	**8.53**	94.65
Deferred tax		
Decrease in deferred tax assets	**0.95**	0.16
(Decrease) in deferred tax liabilities	-	-
Total deferred tax expense/(benefit) (B)	**0.95**	0.16
Income Tax Expenses (A+B)	**9.48**	94.81

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2018

(₹ in Lakh)

	Particulars	As at March 31, 2018	Year Ended March 31, 2017
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit before income tax	38.07	706.73
	Tax at the Indian tax rate of 25% / 34.608%	9.80	244.59
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Income not considered for Tax purpose	(1.42)	(327.74)
	Expenses not allowable for tax purposes	0.78	-
	Corporate Social expenditure not allowable for Tax purpose	2.60	-
	Tax losses for which no deferred income tax was recognised	(0.16)	83.31
	Unrecognised MAT Credit	-	150.00
	Adjustments for current tax of prior periods	(2.12)	(55.35)
		9.48	94.81

(₹ in Lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
(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
		-	0.95
	Deferred tax liability on account of:		
	Property, Plant & Equipment	-	-
	Net Deferred Tax Assets	-	0.95

Reliance Energy Trading Limited

Notes to the financial statements as of and for the year ended March 31, 2018

Note 13 - Revenue from Operations

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from sale of Power	-	82.03
	-	82.03

Note 14 - Other Income

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest		
On Inter Corporate Deposits	63.32	31.45
Others	-	153.92
Dividends Income	-	2.00
Net gain on sale of Investments	-	73.82
Provisions / Liabilities written back	6.69	-
Recovery of Advance written off (Refer Note No. 22)	-	1,603.73
	70.01	1,864.92

Note 15 - Purchase of Power

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Power	-	80.70
	-	80.70

Note 16 - Employee Benefit Expenses

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus (Contract Employee)	-	0.84
	-	0.84

Note 17 - Other Expenses

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
License and Application Fees	3.45	0.86
Legal and Professional Charges	8.95	12.84
Payment to Auditors		
Statutory Audit Fees	0.32	0.31
Bad Debts w/off	5.52	-
Less : Provision For Doubtful Debts w/back	5.52	-
	-	-
Directors' Fees	-	0.92
Corporate Social Responsibility Expenditure (Refer Note No. 24)	15.06	11.25
Comepnsation to Supplier (Refer Note No. 22)	-	1,127.29
Miscellaneous Expenses	2.44	4.15
	30.22	1,157.62

Reliance Energy Trading Limited

Notes Annexed to and forming part of the Financial Statements

Note 3 : Property, Plant and Equipment

(₹ in Lakh)

Particulars	Furniture and Fixtures	Office Equipments	Total
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	0.22	0.84	1.06
Disposals	-	-	-
Closing accumulated depreciation as on March 31,2017	0.43	3.31	3.74
Net carrying amount as on March 31, 2017	0.53	1.19	1.72
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**
Closing accumulated depreciation as on March 31, 2018	**0.96**	**4.50**	**5.46**
Net carrying amount as on March 31, 2018	**-**	**-**	**-**

Notes to the financial statements as of and for the year ended March 31, 2018

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, 2018 were authorised for issue by the board of directors on April 10, 2018. 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 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) Recent accounting pronouncements:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018, Since the Company does not have any foreign currency transactions and advance consideration, there is no impact of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Custome₹ The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with custome₹

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

(iv) 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.

(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 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.

(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 25).

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.

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

18. Earnings Per Share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Profit for Basic and Diluted Earnings per Share ₹ in lakh) (a)	**28.59**	611.92
B. Weighted Average number of equity shares		
For Basic Earnings per share (b)	**2,000,000**	3,839,452
For Diluted Earnings per share (c)	**2,000,000**	3,839,452
C. Earnings per share (Face Value of ₹ 10 per share)		
Basic (a/b)	**1.43**	15.94
Diluted (a/c)	**1.43**	15.94

19. 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 (Nil). 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 (Nil) 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 (Nil) against the said demand.

20. 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

(₹ in Lakh)

Particulars	R Infra
Sales of Power (IEX)	
2017-18	-
2016-17	105.00
Amount Paid on Capital Reduction	
2017-18	-
2016-17	2,855.00

21. 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.

22. Arbitration

During the financial year ended March 31, 2017, the Company received an arbitration award towards settlement of dispute with M/s. Manas Agro Industries and Infrastructure Limited (Manas) (Formerly known as Purti Power and Sugar Limited) Accordingly Company has directed to pay an amount of ₹ 1,127.29 lakh towards compensation (including interest of ₹ 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 in the previous year.

Further as counter claim of ₹ 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 ₹ 489.93 lakh has been shown as other financial assets in the Financial Statements.

23. 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 auditor

24. 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 ₹ 15.06 Lakh.

a. Gross amount required to be spent by the Company during the year is ₹ 15.06 Lakh
b. Amount spent during the year on:

(₹ in Lakh)

Particulars	in Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	15.06	-	15.06

25. Fair Value Measurement and Financial Risk Management

(A) Fair Value Measurements

(a) Financial instruments by category

(₹ in Lakh)

	March 31, 2018			March 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets			0.73			7.37
Trade receivables			513.00			602.00
Loans			489.93			489.93
Recoverable Advance			-			2.00
Security Deposits			84.25			25.43
Interest Receivable			6.97			11.66
Cash and cash equivalents			**1,093.88**			**1,138.39**
Total financial assets	-	-		-	-	
Financial liabilities			46.65			61.37
Trade payables	-	-	46.65	-	-	61.37

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.

(₹ in 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**

(₹ in Lakh)

Assets and liabilities disclosed at fair value - recurring fair value measurements as at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Financial Assets				
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
Financial Liabilities				
Trade Payable	-	-	61.37	61.37

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.

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 ₹ 11.66 Lakh and ₹ 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 custome₹ 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

(₹ in Lakh)

Reconciliation of loss allowance	12 months expected credit losses measured using general approach
Loss allowance as at March 31, 2017	5.52
Changes in loss allowance	**(5.52)**
Loss allowance as at March 31, 2018	**Nil**

(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 amount are gross and undiscounted.

(₹ in Lakh)

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
Trade payables			
March 31, 2018	**46.65**	**-**	**46.65**
March 31, 2017	61.36	-	61.376

(₹ in Lakh)

Other Financial Liabilities	Less than 1 year	More than 1 year	Total
Other Current Liabilities			
March 31, 2018	**-**	**-**	**-**
March 31, 2017	50.68	-	50.68

(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

(₹ in Lakh)

	Impact on other components of equity	
	March 31, 2018	March 31, 2017
Price increase by 10%	-	-
Price decrease by 10%	-	-

26. 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 shareholde₹ 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.

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

27. 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 ₹ 2,065 lakh divided into 2,06,50,000 equity shares of ₹ 10 each fully paid up to ₹ 200 lakh divided into 20,00,000 equity shares of ₹ 10/- each fully paid up by cancellation of 1,86,50,000 equity shares of ₹ 10/- each held by Reliance Infrastructure Limited and that this reduction of share capital shall be made by paying an aggregating consideration of ₹ 2,855 lakh and utilization of the entire balance in the Securities Premium Account ₹ 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 ₹ 2,065 lakh divided into 2,06,50,000 equity shares of ₹ 10 each fully paid up to ₹ 200 lakh divided into 20,00,000 equity shares of ₹ 10/- each fully paid up and Securities Premium Account from ₹ 990 lakh to ₹ Nil in the books of account. The said reduction in aggregate amounting to ₹ 2,855 lakh has been considered as a Capital Reduction in other equity.

28. 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

For and on behalf of the Board of Directors

Vishal D. Shah
Partner
Membership No.

ee

385

Place: Mumbai
Date: April 20, 2