

Independent Auditors' Report

To The Members of
RPL Star Power Private Limited

We have audited the accompanying financial statements of **RPL Star Power Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016; its Loss and its Cash Flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply materially with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as Director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) As per the best estimates made by the management there are no ongoing litigations as at the reporting date;
 - ii) Based upon the assessment made by the Company, there are no material foreseeable losses on its long-term contracts that may require any provisioning;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Nitika Jain
Partner
Membership No. 427716

Place: Mumbai
Date: May 18, 2016

ANNEXURE A TO THE AUDITORS' REPORT

Referred to in our Report of even date on the Accounts of RPL Star Power Private Limited for the period ended on March 31, 2016

- i) The Company has no fixed assets therefore paragraph 3(i) of the Order is not applicable.
- ii) The Company has no inventory therefore paragraph 3(ii) of the Order is not applicable.
- iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained pursuant to section 189 of the Act. Hence the reporting requirements under sub-clause (a), (b), (c) of paragraph 3(iii) of the Order are not applicable.
- iv) The Company has not made any loans, investments, guarantees and security therefore paragraph 3(iv) of the Order is not applicable.
- v) The Company has not accepted any deposits from the public.
- vi) As informed to us, no Cost Records have been prescribed by Central Government under section 148(1) of the Act.
- vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess or/and any other statutory dues, wherever applicable, with the appropriate authorities during the year and there were no such outstanding dues as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) As per the information and explanations given to us, there are no disputed statutory dues pending to be deposited with the respective authorities by the Company.
- viii) The Company has not raised any funds from financial institutions or banks or by issue of debentures during the year, hence, question of repayment of dues to them does not arise.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, 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) The Company has not paid any managerial remuneration. Hence 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or debentures during the year.
- xv) According to the information and explanations given to us, 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 S M A & Co.
Chartered Accountants
Regn.No.018452C

Nitika Jain
Partner
Membership No. 427716

Place: Mumbai
Date: May 18, 2016

Offices: 4-B-4, Aashirwad Plaza, Talwandi, Kota 324005 Rajasthan
C/o Moosa Bhoj & Co., 31, Shopping Centre, Kota 324007 Rajasthan
Amitulla Villa, Bairaj Road, Tipta, Kota 324006 Rajasthan
Shop No. 3, Agrawal Dharmashala Aklera, Jhalawar 326033 Rajasthan

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting ("Financial Controls") of RPL Star Power Private Limited ("the Company") in conjunction with our audit of the Company for the period ended March 31, 2016.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2016, based on the Financial Controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

Nitika Jain
Partner
Membership No. 427716

Place: Mumbai
Date: May 18, 2016

RPL Star Power Private Limited

Balance Sheet as at March 31, 2016

Particulars	Note	As at March 31, 2016 Rupees
Equity and Liabilities		
Shareholders' Funds		
Share Capital	3.1	100,000
Reserves and Surplus	3.2	(302,275)
Current Liabilities		
Other Current Liabilities	3.3	302,275
Total		<u>100,000</u>
Assets		
Current Assets		
Cash and Bank Balances	3.4	100,000
Total		<u>100,000</u>
Significant Accounting Policies	2	

The notes are an integral part of these financial statements

As per our Report of even date

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

For and on behalf of the Board of Directors

Nitika Jain
Partner
Membership No.427716

Vibhav Agarwal
Director
DIN: 03174271

Priyadarshini Mahapatra
Director
DIN: 07237573

Place: Mumbai
Date: May 18, 2016

Place: Mumbai
Date: May 18, 2016

RPL Star Power Private Limited

Statement of Profit and Loss for the Period from August 7, 2015 to March 31, 2016

Particulars	Note	Period Ended March 31, 2016 Rupees
Revenue:		
Income		-
Total Revenue		<u>-</u>
Expenses:		
Other Expenses	3.5	302,275
Total Expenses		<u>302,275</u>
Profit/(Loss) before tax		(302,275)
Tax expense:		
Current Tax		-
Profit/(Loss) for the period		<u>(302,275)</u>
Earnings per equity share:(Face value of Rs. 10 each)	6	
-Basic and Diluted		(30.23)
Significant Accounting Policies	2	

The notes are an integral part of these financial statements

As per our Report of even date

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

Nitika Jain
Partner
Membership No.427716

Place: Mumbai
Date: May 18, 2016

For and on behalf of the Board of Directors

Vibhav Agarwal
Director
DIN: 03174271

Priyadarshini Mahapatra
Director
DIN: 07237573

Place: Mumbai
Date: May 18, 2016

RPL Star Power Private Limited
Cash Flow Statement for the Period from August 7, 2015 to March 31, 2016

	Period ended March 31, 2016 Rupees
(A) Cash Flow from/(used in) Operating Activities:	
Net Profit/ (Loss) Before Tax	(302,275)
Operating Profit/(Loss) before working capital changes	(302,275)
Adjustments for:	
Other Current liabilities	302,275
	302,275
Net Cash From/(used in) Operating Activities	-
(B) Cash Flow from/(used in) Financing Activities:	
Proceeds from issue of shares	100,000
Net Cash From Financing Activities	100,000
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B)	100,000
Cash and Cash equivalents at the beginning of the period:	
Bank Balance - current account	-
Cash and Cash equivalents at the end of the period :	
Bank Balance - current account	100,000

As per our Report of even date

For SMA & Co.

Chartered Accountants
Regn. No.018452C

Nitika Jain

Partner
Membership No.427716

Place: Mumbai
Date: May 18, 2016

For and on behalf of the Board of Directors

Vibhav Agarwal

Director
DIN: 03174271

Priyadarshini Mahapatra

Director
DIN: 07237573

Place : Mumbai
Date: May 18, 2016

RPL Star Power Private Limited

Notes to the financial statements as on and for the Period ended March 31, 2016

1. Background

RPL Star Power Private Limited is incorporated on August 7, 2015 under the provisions of the Companies Act, 2013 for generation of power.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on accrual basis under the historical cost convention and are presented in Indian Rupees rounded off to the nearest rupee.

b) Use of Estimates

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Provisions, Contingent Liabilities and Contingent Assets

Provisions: Provisions are recognised when there is present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

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

Contingent Assets: Contingent assets is neither recognised nor disclosed in the Financial Statements

d) Revenue Recognition

Revenue is recognised when it is reasonably certain that the ultimate collection will be made.

e) Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

f) Cash and Cash Equivalents

In the Cash Flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments, with original maturities of three months or less.

g) Earnings per Share

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

h) Pre-incorporation Expenses

Pre-incorporation expenses of the Company are charged off in the first year.

Notes to the financial statements as on and for the Period ended March 31, 2016

As at
March 31, 2016
Rupees

3.1 Share Capital**Authorised**

8,00,000 Equity Shares of Rs.10 each	8,00,000
8,00,000 Preference Shares of Rs.10 each	8,00,000

16,00,000

Issued, Subscribed and Paid up

10,000 Equity Shares of Rs.10 each fully paid up.	100,000
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100,000

3.1.1 Reconciliation of number of shares**Equity shares**

Balance at the beginning of the period	-
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Add: Subscribed during the period	100,000
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Balance at the end of the year - 10,000 shares of Rs.10 each	<u>100,000</u>
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3.1.2 Terms/ rights attached to equity shares

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

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

	Percentage of share holding	As at March 31, 2016 No. of Shares
Equity Shares of Rs.10 each fully paid up		
Reliance Green Power Private Limited (the Holding company)	100%	10,000
		<u>10,000</u>

RPL Star Power Private Limited

Notes to the financial statements as on and for the Period ended March 31, 2016

As at
March 31, 2016
Rupees

3.2 Reserves and Surplus

Surplus/(Deficit) in the Statement of Profit and Loss

Balance at the beginning of the period	-
Add : Profit/(Loss) for the period	(302,275)
Balance at the end of the period	<u><u>(302,275)</u></u>

3.3 Other Current Liabilities

Payable to Holding Company (Refer Note 5)	285,100
Other Payables	17,175
	<u><u>302,275</u></u>

3.4 Cash and Bank balance

Cash and Cash Equivalents:	
Bank Balance in current account	100,000
	<u><u>100,000</u></u>

Period ended
March 31,2016
Rupees

3.5 Other expenses

Auditor's Remuneration	17,175
Pre Incorporation Expenses	285,100
	<u><u>302,275</u></u>

RPL Star Power Private Limited**Notes to the financial statements as on and for the Period ended March 31, 2016****4 Details of Remuneration to Auditors**

Particulars	Period ended March 31, 2016 Rupees
As Statutory Auditors - Audit Fees	15,000

5 Related Party Disclosures

As per Accounting Standard - 18 Related Party transaction as prescribed by the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

A. Parties where control exists:**Holding Company:**

Reliance Green Power Private Limited (RGRP)
Ultimate holding Company – Reliance Power Limited (RPL)

B. Details of transactions during the period and closing balance at the end of the year

Particulars	At at March 31, 2016 Rupees
Transactions during the year	
Reimbursement of expenditure paid by RGRP	285,100
Closing Balances	
Other Payables RGRP	285,100
Equity Share Capital RGRP	100,000

RPL Star Power Private Limited**Notes to the financial statements as on and for the Period ended March 31, 2016****6 Earnings Per share**

Particulars	Year ended March 31, 2016
Net profit / (loss) for the period (A) (Rupees)	(302,275)
Weighted Average Number of Equity Shares (B)	10,000
Basic/ Diluted (Rupees) (A/B)	(30.23)
Nominal value of an Equity Share (Rupees)	10

7 Micro and small scale business entities

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

8 In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under the Companies (Accounting Standard) Rules, 2006, the Company has determined its business segments as power generation. Since, there are no other business segments in which the Company operates, there are no primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charged are all as reported in the financial statements.

9 The Company is incorporated on August 07, 2015 and accounts has been prepared from August 07, 2015 to March 31, 2016. This being first accounting year of the Company previous year figures are not applicable.

As per our Report of even date

For SMA & Co.

Chartered Accountants
Regn. No.018452C

For and on behalf of the Board of Directors**Nitika Jain**

Partner
Membership No. 427716

Vibhav Agarwal

Director
DIN: 03174271

Priyadarshini Mahapatra

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DIN: 07237573

Place : Mumbai
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