

### **Independent Auditors' Report**

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

We have audited the accompanying Ind AS financial statements of **RPL Sunlight Power Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

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

#### **Opinion**

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

## Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable to the Company.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as Director in terms of section 164(2) of the Act;
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) There are no ongoing litigations as at the reporting date that would have a material impact on its financial position;
    - ii) Based upon the assessment made by the Company, there are no long-term contracts for which there were any material foreseeable losses;
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
    - iv) The Company did not have any holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016.

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

**Nitika Jain**  
Partner  
Membership No. 427716

Place: Mumbai  
Date: April 08, 2017

## ANNEXURE TO THE AUDITORS' REPORT

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

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

**For S M A & Co.**

Chartered Accountants  
Regn.No.018452C

**Nitika Jain**

Partner  
Membership No. 427716

Place: Mumbai

Date: April 08, 2017

**RPL Sunlight Power Private Limited**  
**Balance Sheet as at March 31, 2017**

Particulars	Note No.	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3.1	100	100
<b>Total Assets</b>		<b>100</b>	<b>100</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.2	100	100
Other equity	3.3	(322)	(302)
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	3.4	322	302
<b>Total Equity and liabilities</b>		<b>100</b>	<b>100</b>
Significant accounting policies	2		
Notes on financial statements	3 to 12		

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

As per our Report of even date

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

**Nitika Jain**  
Partner  
Membership No.427716

Place: Mumbai  
Date: April 08, 2017

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

**Ashish Maheshwari**  
Director  
DIN: 07246503

**Priyadarshini Mahapatra**  
Director  
DIN: 07237573

Place: Mumbai  
Date: April 08, 2017

**RPL Sunlight Power Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Note No.	Year ended March 31, 2017 Rupees in '000	Period ended March 31, 2016 Rupees in '000
Other Income		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Generation, administration and other expenses	3.5	20	302
<b>Total expenses</b>		20	302
<b>Profit / (loss) before tax</b>		(20)	(302)
<b>Income tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) for the year</b>		(20)	(302)
<b>Earnings per equity share: (Face value of Rs. 10 each)</b>			
Basic and Diluted (Rupees)	6	(2.0)	(30.2)
Significant accounting policies	2		
Notes on financial statements	3 to 12		

The accompanying notes are an integral part of these financial statements

As per our Report of even date

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

**Nitika Jain**  
Partner  
Membership No.427716

Place: Mumbai  
Date: April 08, 2017

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

**Ashish Maheshwari**  
Director  
DIN: 07240503

**Priyadarshini Mahapatra**  
Director  
DIN: 07237573

Place: Mumbai  
Date: April 08, 2017

**RPL Sunlight Power Private Limited**  
**Cash Flow Statement for the year ended March 31,2017**

Particulars	Year ended March 31, 2017 Rupees in '000	Period ended March 31, 2016 Rupees In '000
<b>(A) Cash flow from/(used in) operating activities:</b>		
Net Profit/ (loss) before tax	(20)	(302)
Operating Profit/(loss) before working capital changes	(20)	(302)
Adjustments for:		
Other current liabilities	20	302
	<b>20</b>	<b>302</b>
 Net Cash from/(used in) operating activities	 -	 -
<b>(B) Cash flow from/(used in) financing activities:</b>		
Proceeds from issue of shares	-	100
Net Cash from financing activities	-	100
 Net Increase/ (Decrease) in cash and cash equivalents (A+B)	 -	 100
<b>Cash and cash equivalents at the beginning of the year</b>		
Bank Balance - current account	100	-
<b>Cash and cash equivalents at the end of the year :</b>		
Bank Balance - current account	100	100

As per our Report of even date

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

**Nitika Jain**  
Partner  
Membership No.427716

Place: Mumbai  
Date: April 08, 2017

For and on behalf of the Board of Directors

**Ashish Maheshwari**  
Director  
DIN: 07248603

**Priyadarshini Mahapatra**  
Director  
DIN: 07237573

Place: Mumbai  
Date: April 08, 2017

**RPL Sunlight Power Private Limited**  
**Statement of changes in equity**

Rupees in '000

A. Particulars	Equity Share Capital
Balance as at 1 April 2015	-
Changes in equity share capital	100
Balance as at 31 March 2016	100
Changes in equity share capital	-
Balance as at 31 March 2017	100

**B. Other Equity**

Rupees in '000

Particulars	Reserves and Surplus
	Retained Earnings
Balance as at 1 April 2015	-
Profit / (loss) for the period	(302)
Other Comprehensive Income for the period	-
Total Comprehensive Income for the period	(302)
Balance as at 31 March 2016	(302)
Profit / (loss) for the year	(20)
Other Comprehensive Income for the year	-
Total Comprehensive Income for the year	(20)
Balance as at 31 March 2017	(322)

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

As per our Report of even date

For SMA & Co.  
Chartered Accountants  
Regn. No.C18452C

For and on behalf of the Board of Directors

**Ashish Maheshwari**  
Director  
DIN: 07246503

**Nitika Jain**  
Partner  
Membership No.427716

**Priyadarshini Mahapatra**  
Director  
DIN: 07237573

Place: Mumbai  
Date: April 08, 2017

Place: Mumbai  
Date: April 08, 2017

**RPL Sunlight Power Private Limited**  
**Notes to the financial statements as of and for the year ended March 31, 2017**

**1) General Information**

RPL Sunlight Power Private Limited, wholly owned subsidiary of Reliance Green Power Limited, was incorporated on August 19, 2015 to carry on the business of exploration and prospecting activities.

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

**2) Significant accounting policies:**

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

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

**(a) Basis of preparation**

**Compliance with Indian Accounting Standards**

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

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

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

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

**(b) Cash and cash equivalents**

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

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

**Provisions**

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

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

**Contingent liabilities**

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

**Contingent Assets:**

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



**(d) Earnings per share**

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

**(e) 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.

Particulars	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000
<b>3.1 Cash and cash equivalents</b>		
Balance with banks: in current account	100	100
	<u>100</u>	<u>100</u>
<b>3.2 Share capital</b>		
<b>Authorised</b>		
600,000 (Previous year : 600,000) equity shares of Rs. 10 each	6,000	6,000
8000,000 (Previous year : 800,000) preference shares of Re. 10 each	8,000	8,000
	<u>16,000</u>	<u>16,000</u>
<b>Issued, subscribed and fully paid up</b>		
10,000 (Previous year: 10,000) equity shares of Rs. 10 each fully paid-up	100	100
	<u>100</u>	<u>100</u>
<b>3.2.1 Reconciliation of number of equity shares</b>	<u>No. of Shares</u>	<u>No. of Shares</u>
<b>Equity shares</b>		
Balance at the beginning of the year - 10,000 (Previous year : Nil) shares of Rs. 10 each	10,000	-
Add: Issued during the year / period	-	10,000
Balance at the end of the year - 10,000 (Previous Year: 10,000) shares of Re. 10 each	<u>10,000</u>	<u>10,000</u>
<b>3.2.2 Terms/ rights attached to equity shares</b>		
<b>Equity shares</b>		
The Company has only one class of equity shares having face value of Rs 10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
<b>3.2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
	As at March 31, 2017	As at March 31, 2016
	No. of Shares	No. of Shares
	Percentage of share holding	Percentage of share holding
<b>Equity shares</b>		
Reliance Green Power Private Limited	10,000	10,000
	100%	100%
	<u>10,000</u>	<u>10,000</u>
	<u>100%</u>	<u>100%</u>
<b>3.2.4 Shares held by Holding Company / Subsidiaries of Holding Company</b>		
	As at March 31, 2017 No. of Shares	As at March 31, 2016 No. of Shares
<b>Equity Shares</b>		
Reliance Green Power Private Limited - 10,000 (Previous year: 10,000) shares of Rs. 10 each fully paid-up	10,000	10,000
(Of the above 0,000 (Previous year: 0,000) equity shares are held by Reliance Green Power Private Limited, the holding company and 1 Share is jointly held by Reliance Green Power Private Limited and its nominee)		
	<u>10,000</u>	<u>10,000</u>
	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000
<b>3.3 Other equity</b>		
<b>Surplus/ (Deficit) In the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(302)	-
Profit / (loss) for the year / period	(20)	(302)
Balance at the end of the year	<u>(322)</u>	<u>(302)</u>
	<u>(322)</u>	<u>(302)</u>
<b>3.4 Other current financial liabilities</b>		
Dues to holding company (Refer note 5)	288	285
Other payables	34	7
	<u>322</u>	<u>302</u>

**RPL Sunlight Power Private Limited**

**Notes to the financial statements as of and for the Year ended March 31, 2017**

<b>Particulars</b>	<b>Year ended March 31, 2017 Rupees in '000</b>	<b>Period ended March 31, 2016 Rupees in '000</b>
<b>3.5 Generation, administration and other expenses</b>		
Legal and professional charges	20	17
Miscellaneous expenses	-	285
	<b>20</b>	<b>302</b>

RPL Sunlight Power Private Limited  
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

4) Details of remuneration to auditors:

	Year ended March 31, 2017 Rupees in '000	Period ended March 31, 2016 Rupees in '000
(a) As auditors		
For statutory audit	17	17
For others	-	-
	17	17

5) Related party transactions:

A. Parties where control exists:

Holding / Ultimate Holding Company:  
Reliance Green Power Private Limited (RGRP) (Holding Company)  
Reliance Power Limited (RPL) (Ultimate Holding Company)

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

Particulars	March 31, 2017 Rupees in '000	March 31, 2016 Rupees in '000
<b>Transactions during the year:</b>		
<b>Reimbursement of expenses</b>		
RGRP	3	285
<b>Issue of Equity shares</b>		
RGRP	-	100

Particulars	March 31, 2017 Rupees in '000	March 31, 2016 Rupees in '000
<b>Closing balance</b>		
<b>Equity share capital (excluding premium)</b>		
RGRP	100	100
<b>Other financial liabilities</b>		
RGRP	288	285

The above disclosure does not include transactions with public utility service providers, viz. electricity, telecommunications in the normal course of business.

6) Earnings per share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit available to equity shareholders</b>		
Profit / (loss) after tax (A) (Rupees in '000)	(20)	(302)
<b>Number of equity shares</b>		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic and diluted earnings per share (A / B) (Rs.)	(2.0)	(30.2)
Nominal value of an equity share (Rs.)	10.00	10.00

7) Income taxes

The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2017 (Rupees in '000)	March 31, 2016 (Rupees in '000)
Profit / (loss) before tax	(20)	(302)
Tax at the Indian tax rate of 30.90%	(6.18)	(93.32)
Tax losses for which no deferred income tax was recognised	(6.18)	(93.32)
<b>Income tax expense</b>	-	-

8) Fair value measurements

(a) Financial instruments by category

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

Particulars	March 31, 2017 Rupees in '000	March 31, 2016 Rupees in '000
<b>Financial assets</b>		
Cash and cash equivalents	100	100
<b>Total financial assets</b>	<b>100</b>	<b>100</b>
<b>Financial liabilities</b>		
Loans from related parties	288	285
Creditors for supplies and services	34	17
<b>Total financial liabilities</b>	<b>322</b>	<b>302</b>

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(c) Valuation technique used to determine fair values

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

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

Note :

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

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

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

There were no transfers between any levels during the year.

9) Financial risk management

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

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

**RPL Sunlight Power Private Limited**  
**Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)**

**(a) Credit risk**

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

**Credit risk management**

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

**(b) Liquidity risk**

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

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

**Maturities of financial liabilities**

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

March 31, 2017	Rupees in '000			
	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Financial liabilities</b>				
Loans from related parties	288	-	-	288
Creditors for supplies and services	34	-	-	34
<b>Total financial liabilities</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>322</b>

March 31, 2016	Rupees in '000			
	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
<b>Financial liabilities</b>				
Loans from related parties	285	-	-	285
Creditors for supplies and services	17	-	-	17
<b>Total financial liabilities</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>302</b>

**10) Capital Management**

**Risk Management**

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

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

	Rupees in '000	
	March 31, 2017	March 31, 2016
Equity	100	100
<b>Total</b>	<b>100</b>	<b>100</b>

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

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

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

As per our Report of even date

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

**Nitika Jain**  
Partner  
Membership No.427716

Place: Mumbai  
Date: April 08, 2017

For and on behalf of the Board of Directors

**Priyadarshini Mahapatra**  
Director  
DIN: 07237573

**Ashish Maheshwari**  
Director  
DIN: 07246503

Place: Mumbai  
Date: April 08, 2017