

Independent Auditors' Report

To the Members of Reliance Coal Resources Private Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Reliance Coal Resources Private 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.

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), loss (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 there under.
5. We conducted our audit of 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 loss (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.
 - 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 does not have any pending litigations which would impact its financial position of the Company as at March 31, 2018.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018;
 - 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 Chaturvedi & Shah
Chartered Accountants
Firm's Registration No: 101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418

Place: Mumbai
Date: April 17, 2018

Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Reliance Coal Resources Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

Page 1 of 3

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not have any immovable property. Therefore the provisions of clause 3 (i) (c) of the said order are not applicable.
- (ii) The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the said Order are not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii)(a), (b) & (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to its director or any other person in whom director is interested. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of Section 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014, ('Rules') has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013. However, the Rules are not applicable to the Company, as the Company has not started commercial operations. Therefore, the provisions of Clause 3(vi) of the said Order are not applicable to the Company.

Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Reliance Coal Resources Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

Page 2 of 3

- (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, service tax, goods and service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect of such applicable statutory dues as at March 31, 2018 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, , goods and service tax, customs duty, excise duty and value added tax as at March 31, 2018 which has not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, there are no dues to financial institutions, banks, Government and debenture holders. Hence the question of default in repayment does not arise.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Therefore, the provisions of Clause 3 (ix) of the said order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Company has not paid any managerial remuneration, hence the provision of section 197 is not applicable; and hence the requirement of the clause 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 and accordingly the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in accordance with the provisions of Section 177 and Section 188 of the Act. The details of related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

Annexure "A" to the Independent Auditors' Report
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of
Reliance Coal Resources Private Limited on the Ind AS financial statements as of and for the year
ended March 31, 2018
Page 3 of 3

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provision of clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors. Hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No: 101720W

Lalit R. Mhalskar
Partner
Membership No: 103418

Place: Mumbai
Date: April 17, 2018

Annexure – “B” to the Independent Auditor’s Report

Referred to in paragraph 10(f) of the Independent Auditors’ Report of even date to the members of Reliance Coal Resources Private Limited on the financial statements for year ended March 31, 2018.

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of **Reliance Coal Resources Private 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

2. 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 (“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

3. 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, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 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.

4. 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.

Annexure – “B” to the Independent Auditor's Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Reliance Coal Resources Private Limited on the financial statements for year ended March 31, 2018.

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

5. 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

6. 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

7. 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 ICAI.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No: 101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418

Place: Mumbai

Date: April 17, 2018

Reliance Coal Resources Private Limited
Balance Sheet as at March 31, 2018

Particulars	Note	Rupees In '000	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	8	8
Financial assets			
Investments	3.2(a)	16,84,296	16,84,296
Other financial assets	3.2(b)	200	200
Other non-current assets	3.3	2,542	2,523
Current assets			
Financial assets			
Cash and cash equivalents	3.4(a)	602	1,310
Loans	3.4(b)	35,98,487	34,87,914
Other financial assets	3.4(c)	20	141
Other current assets	3.5	357	357
Total		52,86,412	51,56,749
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.6	20,993	20,993
Other equity	3.7	12,56,614	13,67,884
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	3.8	35,22,689	-
Current liabilities			
Financial liabilities			
Borrowings	3.9(a)	-	36,01,580
Other financial liabilities	3.9(b)	4,79,628	1,61,813
Current tax Liabilities (net)	3.9(c)	4,459	4,459
Other current liabilities	3.10	2,029	20
Total		52,86,412	51,56,749

Significant accounting policies 2

Notes to financial statements 3-18

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

As per our attached report of even date.

For Chaturvedi & Shah
Firm Registration No: 101720W
Chartered Accountants

For and on behalf on the Board of Directors

Lalit R Mhalsekar
Partner
Membership No. 103418

Sanjay Bafna
Director
(DIN:0362733)

Ravi Gehani
Director
(DIN: 07319550)

Place: Mumbai
Date: April 17, 2018

Place: Mumbai
Date: April 17, 2018

Place: Mumbai
Date: April 17, 2018

Reliance Coal Resources Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

Rupees in '000

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Other Income	3.11	2,09,471	1,60,627
Total Income		2,09,471	1,60,627
Expenses			
Finance costs	3.12	3,20,259	3,15,952
Depreciation expense	3.1	-	5
Other expenses	3.13	481	40,246
Total expenses		3,20,740	3,58,203
Loss before tax		(1,11,269)	(1,95,576)
Income tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year (A)		(1,11,269)	(1,95,576)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		(1,11,269)	(1,95,576)
Earnings per equity share: (Face value of Rs. 10 each)		(53.00)	(93.16)
Basic and Diluted (Rupees)	8		
Significant accounting policies	2		
Notes to financial statements	3-18		
The accompanying notes are an integral part of these financial statements.			

As per our attached report of even date.

For Chaturvedi & Shah

Firm Registration No: 101720W

Chartered Accountants

For and on behalf on the Board of Directors

Lalit R Mhalsekar

Partner

Membership No. 103418

Sanjay Bafna

Director

(DIN:0362733)

Ravi Gehani

Director

(DIN: 07319550)

Place: Mumbai

Date: April 17, 2018

Place: Mumbai

Date: April 17, 2018

Place: Mumbai

Date: April 17, 2018

Reliance Coal Resources Private Limited
Statement of changes in equity

A. Equity Share Capital (Refer note 3.6)	Rupees in '000
Balance as at 01 April 2016	20,993
Changes in equity/preference share capital	-
Balance as at 31 March 2017	20,993
Changes in equity/preference share capital	-
Balance as at 31 March 2018	20,993

B. Other Equity (Refer note 3.7)					Rupees in '000
	Note	Reserves and Surplus			Total
		Securities premium account	Foreign currency monetary item translation difference account	Retained Earnings	
Balance as at 1 April 2016		20,68,442	33,189	(5,04,882)	16,86,649
Profit/(Loss) for the year		-	-	(1,95,576)	(1,95,576)
Other Comprehensive Income for the year		-	-	-	-
Total Comprehensive Income for the year		-	-	(1,95,576)	(1,95,576)
Amortization during the year		-	(33,189)	-	(33,189)
Balance as at 31 March 2017		20,68,442	-	(7,00,558)	13,67,884
Profit/(Loss) for the year		-	-	(1,11,269)	(1,11,269)
Other Comprehensive Income for the year		-	-	-	-
Total Comprehensive Income for the year		-	-	(1,11,269)	(1,11,269)
Balance as at 31 March 2018		20,68,442	-	(8,11,827)	12,56,614

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

As per our attached report of even date.

For Chaturvedi & Shah
Firm Registration No: 101720W
Chartered Accountants

For and on behalf on the Board of Directors

Lalit R Mihalsekar
Partner
Membership No. 103418

Sanjay Batia
Director
(DIN:0382733)

Ravi Gehani
Director
(DIN: 07319550)

Place: Mumbai
Date: April 17, 2018

Place: Mumbai
Date: April 17, 2018

Place: Mumbai
Date: April 17, 2018

Reliance Coal Resources Private Limited
Cash Flow Statement for the year ended March 31, 2018

	Year ended March 31, 2018	Rupees in '000 Year ended March 31, 2017
(A) Cash Flow from/(used in) Operating Activities		
Net Profit/(Loss) before tax	(1,11,269)	(1,95,577)
Adjusted for:		
Depreciation	-	5
Interest Income	(1,50,651)	(1,60,627)
Foreign Exchange (Gain)/Loss	(58,810)	(39,961)
Interest and finance charges	3,20,269	3,15,952
Operating Loss before working capital changes	(481)	(80,208)
Adjustments for:		
Increase / (decrease) in other current financial liabilities	(174)	274
Increase / (decrease) in other current liabilities	2,009	(9,947)
(Increase) / decrease in other non-current financial assets	(19)	(200)
(Increase) / decrease in other current financial assets	121	1,736
(Increase) / decrease in other current assets	-	(357)
	1,456	(88,702)
Taxes (paid)/ refund received (net)	-	4,401
Net Cash flow generated from / (used in) Operating Activities	1,456	(84,301)
(B) Cash flow from/(used in) investing activities		
Interest Income	1,51,769	-
Inter corporate deposit given to subsidiary	(72,882)	(10,00,079)
Loan to employees	-	(330)
Net cash generated from/(used in) Investing Activities	78,887	(10,00,408)
(C) Cash flow from/(used in) Financing Activities		
Inter Corporate Deposit received/(Paid)	(78,891)	12,39,100
Interest and finance charges	(2,260)	(1,54,457)
Net Cash flow generated from/(used in) Financing Activities	(81,151)	10,84,643
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(808)	(67)
Cash and Cash equivalents at the beginning of the year :		
Bank Balance-Current Account	1,310	1,377
Cash and Cash equivalents at the end of the year :		
Bank Balance-Current Account	502	1,310

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

As per our attached report of even date.

For Chaturvedi & Shah
Firm Registration No: 101720W
Chartered Accountants

Lalit R Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 17, 2018

For and on behalf on the Board of Directors

Sanjay Bafna
Director
(DIN:0362733)

Ravi Gehani
Director
(DIN: 07319550)

Place: Mumbai
Date: April 17, 2018

Place: Mumbai
Date: April 17, 2018

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018

1) General information

Reliance Coal Resources Private Limited ("the Company") is a subsidiary of Reliance Power Limited and has been incorporated under provisions of Companies Act, 1956. The Company was incorporated with objects to be in the business of trading, manufacturing, producing, mining etc or dealing in fuels required in Industries, household, power plant etc including coal, CBM, lignite, petroleum and to plan, establish, promote and provide infrastructure and to act as consultants/agents for attaining the above objects. Registered address of the company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710.

These financial statements were authorised for issue by the board of directors on April 17, 2018.

2) Significant accounting policies and critical accounting estimate and judgments:

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 Ind AS

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"). The policies set out below have been consistently applied during the year presented.

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

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Equity instruments in subsidiaries at fair value.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

(c) Recent accounting pronouncements

Standards issued but not yet effective

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

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 Customers. 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 customers.

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

(d) Foreign currency translation:

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency.

ii. Transactions and balances

(i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

(ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

(iii) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(e) Property, plant and equipment

All items of property, plant and equipment are stated at cost less depreciation. 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

(f) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

Investments and other 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.
- Equity Investment in subsidiary is measured at 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 profit or loss or other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 is recognised in profit or 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 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 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 is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Company subsequently measures all equity investments (including investment in subsidiaries) at cost.

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. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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 not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not 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 group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition:

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(g) Financial liabilities:

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables, loans and borrowings.

iii. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Other payable: These amounts represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest method.

Where guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are expensed out in the Statement of profit and loss. On transition to Ind AS, the Company has recognised fair value changes as part of the retained earnings.

iv. Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

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 recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(h) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(i) Trade Receivable:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(j) 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.

(k) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, It is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement

i. Service Income

Service income represents income from support services recognised as per the terms of the service agreements entered into with the respective parties.

(m) Income tax

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 end of the reporting period in the countries where the Company operate 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 Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(n) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) 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.

Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the chief financial officer that makes strategic decisions.

2.2 Critical accounting estimates and judgements

The preparation 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 make 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:

(a) Tax Losses

The Company has unused business loss of Rs. 4,41,414 Thousand (March 31, 2017: 2,71,150 Thousand) which according to the management will expired and may not be used to offset taxable business profit, if any, incurred by the company Refer note no. 9 for amount of such temporary difference on which deferred tax assets are not recognized.

--

Reliance Coal Resources Private Limited

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

3.1 Property, Plant and Equipment

Particulars	Rupees in '000
	Office equipments
Gross carrying amount	
Balance as at April 01, 2016	13
Additions during the year	-
Carrying amount as at March 31, 2017	13
Additions during the year	-
Carrying amount as at March 31, 2018	13
Accumulated depreciation	
For the year	5
Balance as at March 31, 2017	5
For the year	-
Balance as at March 31, 2018	5
Net carrying amount	
As at March 31, 2017	8
As at March 31, 2018	8

Particulars	Rupees In '000	
	As at March 31, 2018	As at March 31, 2017
3.2(a) Non-Current Investments (Non-trade)		
Equity Instruments (unquoted, fully paid-up)		
In Subsidiaries-at cost		
Reliance Power Netherlands BV	18,84,296	16,84,296
[Number of shares: 2,40,486 (March 2017: 2,40,486, face value of Euro 100 each) (Refer Note No.8)		
	<u>18,84,296</u>	<u>16,84,296</u>
3.2(b) Other finance assets		
(Unsecured and considered good)		
Securily deposits	200	200
	<u>200</u>	<u>200</u>
3.3 Other non-current assets		
(Unsecured and considered good)		
Prepaid expenses	2,523	2,523
Balance with statutory authorities (includes VAT recoverable)	19	-
	<u>2,542</u>	<u>2,523</u>
3.4(a) Cash and cash equivalents		
Balance with banks:		
In current account	502	1,310
	<u>502</u>	<u>1,310</u>
3.4(b) Current Loans		
(Unsecured and considered good)		
Inter corporate deposits to subsidiary (Refer note G)	35,98,157	34,67,584
Loans / advances to employees	330	330
	<u>35,98,487</u>	<u>34,67,914</u>
3.4(c) Other financial assets		
(Unsecured and considered good)		
Advance recoverable in cash	20	141
	<u>20</u>	<u>141</u>
3.5 Other current assets		
(Unsecured and considered good)		
Advance recoverable in kind	357	357
	<u>357</u>	<u>357</u>

Rupees in '000

	As at March 31, 2018	As at March 31, 2017
--	-------------------------	-------------------------

3.6 Share capital

Authorised share capital

16,000,000 (March 2017 : 16,000,000) equity shares of Rs.10 each

1,60,000

1,60,000

1,60,000

1,60,000

Issued, subscribed and fully paid up capital

2,099,335 (March 2017 : 20,99,335) equity shares of Rs.10 each fully paid up

20,993

20,993

20,993

20,993

3.6.1 Reconciliation of number of equity shares

Equity shares

Balance at the beginning of the year

20,993

20,993

Balance at the end of the year - 20,99,335 (March 2017 : 20,99,335) shares of Rs. 10 each

20,993

20,993

3.6.2 Terms/ rights attached to equity shares

a) Equity shares

The Company has only one class of equity shares having par 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 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.

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares				
Reliance Power Limited (Equity Shares of Rs 10 each fully paid up)	20,99,335	100%	20,99,335	100%
	20,99,335	100%	20,99,335	100%

3.6.4 Shares held by Holding Company / Subsidiaries of Holding Company

Equity Shares

Reliance Power Limited - 20,99,335 (March 2017 : 20,99,335) shares of Rs 10 each fully paid up

(Of the above 20,99,334 (March 2017 : 20,99,334) shares are held by Reliance Power Limited, holding company and 1 (March 2017: 1) share is jointly held by Reliance Power and its nominee)

As at March 31,
2018

As at March 31,
2017

20,99,335

20,99,335

20,99,335

20,99,335

Particulars	Rupees in '000	
	As at March 31, 2018	As at March 31, 2017
3.7 Other equity		
Balance at the end of the year		
3.7.1 Securities premium account	20,68,442	20,68,442
3.7.2 Foreign currency monetary item translation difference account	-	-
3.7.3 Surplus in the Statement of Profit and Loss	(8,11,827)	(7,00,558)
Total other equity	<u>12,56,614</u>	<u>13,67,884</u>
3.7.1 Securities premium account		
Balance at the beginning of the year	20,68,442	20,68,442
Balance at the end of the year	<u>20,68,442</u>	<u>20,68,442</u>
3.7.2 Foreign currency monetary item translation difference account		
Balance at the beginning of the year	-	33,189
Add: Addition during the year	-	-
Less: Amortisation during the year	-	33,189
	<u>-</u>	<u>-</u>
3.7.3 Retained Earnings		
Balance at the beginning of the year	(7,00,558)	(6,04,962)
Profit for the year	(1,11,289)	(1,85,576)
Balance at the end of the year	<u>(8,11,827)</u>	<u>(7,00,558)</u>
	<u>12,56,614</u>	<u>13,67,884</u>
Nature and purpose of other reserves:		
a. Securities premium account		
Securities premium account is created with premium issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013		
b. Foreign currency monetary item translation difference account		
The Company has opted to continue the Previous GAAP policy for accounting of foreign exchange differences on long term monetary items. This Reserve represents foreign exchange accumulated on long term monetary items which are for other than depreciable assets. The same is amortized over the balance period of such long term monetary assets.		
3.8 Non-current borrowings		
(Unsecured)		
Inter corporate deposit received from Holding Company (Refer note 6)	35,22,689	-
	<u>35,22,689</u>	<u>-</u>
3.9(a) Current borrowings		
(Unsecured)		
Inter corporate deposit received from Holding Company (Refer note 6)	-	36,01,580
	<u>-</u>	<u>36,01,580</u>
3.9(b) Other current financial liabilities		
Interest accrued but not due on borrowings	4,79,492	1,61,493
Other payables	136	320
	<u>4,79,628</u>	<u>1,61,813</u>
3.9(c) Current tax provision		
Provision for income tax (net of advance tax)	4,459	4,459
	<u>4,459</u>	<u>4,459</u>
3.10 Other current liabilities		
Other payables	2,029	20
	<u>2,029</u>	<u>20</u>

Reliance Coal Resources Private Limited

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

Particulars	Rupees in '000	
	Year ended March 31, 2018	Year ended March 31, 2017
3.11 Other Income		
Interest income:		
Inter-corporate deposits (Refer note 6)	1,50,661	1,60,627
Gain on foreign exchange fluctuations (Net)	58,810	-
	2,09,471	1,60,627
3.12 Finance cost		
Interest on:		
Inter corporate deposits (Refer note 6)	3,19,993	3,14,518
Other finance charges	266	1,438
	3,20,259	3,15,952
3.13 Generation, administration and other expenses		
Stamp duty and filing fees	2	4
Legal and professional charges (including shared service charges)	477	268
Rates and taxes	2	13
Loss on foreign exchange fluctuations	-	39,961
	481	40,246

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

4) Details of remuneration to auditors:

Particulars	Year ended March 31, 2018	Rupees in '000 Year ended March 31, 2017
(a) As auditors		
For statutory audit	10	78
	10	78

5) Employee benefit obligations

The Company has classified various employee benefits as under:

a) Leave obligations

Leave encashment is payable to eligible employees who have earned leave, during the employment and/or on separation as per the Company's policy.

b) Defined contribution plans

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
- Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

c) Post employment obligation

Gratuity

The Company has a defined benefit plan in India, governed by the payment of gratuity act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basic salary last drawn by the employee concerned.

(i) Significant estimates: actuarial assumptions

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2018	March 31, 2017
Discount rate (per annum)	7.65%	7.80%
Rate of increase in compensation levels	7.50%	7.50%
Rate of return on plan assets	7.65%	8.25%
Expected average remaining working lives of employees in number of years	5.25	8.23

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

(ii) Balance sheet amount (Gratuity Plan)

Particulars	Present value of obligation	Fair value of plan assets	Rupees in '000 Net amount
April 01, 2016	3,261	5,784	(2,523)
Current service cost	227	-	227
Interest cost	214	513	(298)
Total amount recognised in profit and loss	441	513	(71)
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	478	(478)
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	178	-	178
Experience (gains) / losses	319	-	319
Total amount recognised in other comprehensive income	497	478	19
Employer contributions	-	-	-
Benefit payments	(1,179)	(1,179)	-
Amount not recognised due to assets limit as per para 64(b)	-	(18)	18
March 31, 2017	3,022	5,578	(2,557)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2017	3,022	5,578	(2,557)
Current service cost	258	-	258
Interest cost	209	482	(273)
Total amount recognised in profit and loss	467	482	(15)
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	1,209	(1,209)
(Gain) / loss from change in demographic assumptions	(212)	-	(212)
(Gain) / loss from change in financial assumptions	(67)	-	(67)
Experience (gains) / losses	(423)	-	(423)
Total amount recognised in other comprehensive income	(702)	1,209	(1,911)
Employer contributions	-	-	-
Benefit payments	(585)	(585)	-
March 31, 2018	2,202	6,684	(4,482)

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2018	Rupees in '000 March 31, 2017
Present value of funded obligations	2,202	3,022
Fair value of plan assets	6,684	5,578
Deficit / (Surplus) of funded gratuity plan	(4,482)	(2,557)
Unfunded plans	-	-
Deficit / (Surplus) of gratuity plan	(4,482)	(2,557)

(iii) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Increase in assumptions		decrease in assumptions	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	0.50%	0.50%	-2.44%	-3.99%	2.53%	4.21%
Rate of increase in compensation levels	0.50%	0.50%	2.53%	4.17%	-2.45%	-3.99%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit gratuity plan administrated 100% by Life Insurance corporation of India as at March 31, 2018 and March 31, 2017.

(v) Defined benefit liability and employer contributions:

The company has agreed that it will aim to eliminate the deficit in defined benefit plan in subsequent years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 8.33% of the basic salaries.

The weighted average duration of the defined benefit obligation is 4.97 years (2017 – 8.43 years).

(vi) The Company has seconded certain employees to the subsidiaries. As per the terms of the secondment, liability towards Salaries, Provident fund and leave encashment will be provided and paid by the respective subsidiaries and gratuity will be paid / provided by the Company. Accordingly, provision for gratuity as disclosed includes cost of employees seconded as well.

(vii) The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

6) Related party transactions:

A. Parties where control exists:

Holding Company:
Reliance Power Limited (R Power)

B. Subsidiaries

Reliance Power Netherlands BV (RPNBV)

C. Step down subsidiary

PT Avaneesh Coal Resources
PT Heramba Coal Resources
PT Brayan Bintang Tiga Energi
PT Sriwijaya Bintang Tiga Energi

D. Major investing parties/ promoters having significant influences on the holding company directly or indirectly:

Companies

Reliance Infrastructure Limited (RInfra)

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

		Rupees in '000	
Particulars		2017-18	2016-17
(i) Transaction during the year:			
Reimbursement of expenses			
R Power		4	7
Inter-corporate deposit received			
R Power		72,509	12,39,100
Inter-corporate deposit refunded			
R Power		1,51,400	-
Loan Given			
RPNBV		72,882	10,80,000
Interest earned on loan			
RPNBV		1,50,661	1,60,627
Interest expenses on Inter-corporate deposits			
R Power		3,19,993	3,14,516
		Rupees in '000	
(ii) Closing balance at the end of the year		2017-18	2016-17
Equity share capital (excluding premium)			
R Power		20,993	20,993
Inter-corporate deposits received from			
R Power		35,22,689	36,01,580
Investment in subsidiaries (Equity)			
RPNBV		16,84,296	16,84,296
Loan given including Interest accrued			
RPNBV		35,98,157	34,67,584

(iii) The above disclosure does not include transactions with public utility services providers, viz. electricity, and telecommunication in the normal course of business.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

7) Earning in foreign currency

Particulars	Rupees in '000	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income	1,50,661	1,60,627

8) Earnings per share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit available to equity shareholders		
Profit after tax (A) (Rupees in '000)	(1,11,269)	(1,95,577)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	20,99,335	20,99,335
Basic and diluted earnings per share (A / B) (Rs.)	(53.00)	(93.16)
Nominal value of an equity share (Rs.)	10	10

9) Income taxes

a) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	Rupees in '000	
	March 31, 2018	March 31, 2017
Profit before tax	(1,11,269)	(1,95,347)
Tax at the Corporate Indian tax rate of 25.75% (2016-17: 34.608%)	(28,652)	(67,808)
Tax losses for which no deferred income tax was recognised	28,652	67,606
Income tax expense	-	-

b) Tax losses and Tax credits

Particulars	Rupees in '000	
	March 31, 2018	March 31, 2017
Unused losses for which no deferred tax asset has been recognised	(4,41,414)	(2,71,150)
Total	(4,41,414)	(2,71,150)

10) Fair value measurements

(a) Financial instruments by category

Particulars	March 31, 2018		March 31, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial assets				
Investment	16,84,296	-	16,84,296	-
Inter corporate deposits to subsidiary	-	35,98,157	-	34,67,584
Security deposits	-	200	-	200
Cash and cash equivalents	-	502	-	1,310
Other financial assets	-	350	-	471
Other Non current assets	-	19	-	-
Total financial assets	16,84,296	35,99,228	16,84,296	34,78,565
Financial liability				
Borrowings	-	40,02,182	-	37,63,074
Due to Holding Company	-	-	-	-
Creditors for supplies and services	-	136	-	320
Total financial liability	-	40,02,318	-	37,63,394

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

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

(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. An explanation of each level follows underneath the table.

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2018	Level 1	Level 2	Level 3	Rupees in '000
				Total
Financial assets				
Security deposits	-	200	-	200
Total financial assets	-	200	-	200
Financial Liabilities				
Borrowings	-	40,02,182	-	40,02,182
Total financial liabilities	-	40,02,182	-	40,02,182

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclose as at March 31, 2017	Level 1	Level 2	Level 3	Rupees in '000
				Total
Financial assets				
Security deposits	-	200	-	200
Total financial assets	-	200	-	200

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

Particulars	March 31, 2018		March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Loans				
Security deposits	200	200	200	200
Total financial assets	200	200	200	200
Financial Liabilities				
Borrowings	40,02,182	40,02,182	-	-
Total financial liabilities	40,02,182	40,02,182	-	-

(d) 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 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 which are included in level 3.

There were no transfers between any levels during the year.

11) 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.	Agling 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

(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 amortised 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.

...

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

Rupees in '000

March 31, 2018	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Dues to holding company	-	40,02,182	-	40,02,182
Others	136	-	-	136
Total financial liabilities	136	40,02,182	-	40,02,318

March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Dues to holding company	37,63,074	-	-	37,63,074
Others	320	-	-	320
Total financial liabilities	37,63,394	-	-	37,63,394

12) Capital Management

(a) 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:

	March 31, 2018	March 31, 2017
Equity	12,77,807	13,88,876
Debt	35,22,689	36,01,580
Total	48,00,296	49,90,456

13) Segment reporting

The Company's management examines the Company's performance.

Presently, there is no separate reportable segment as per Ind AS 108 'Operating Segments'.

Geographical Segment

The company is domiciled in India. The amount of revenue from external customers broken down by location of the customers is shown in the table below

	2017-18	Rupees in '000 2016-17
Revenue from external customers		
India	-	-
Outside India – Netherlands	2,09,471	1,60,627
Total	2,09,471	1,60,627

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

The total non-current assets other than financial instruments broken down by location of assets, is shown below.

Non-Current Assets	2017-18	2016-17
India	2,542	2,523
Outside India – Netherlands	-	-
Total	2,542	2,523

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2018 and March 31, 2017 were as follows:

Customer Name	For the year ended		Rupees in '000	
	March 31, 2018		March 31, 2017	
	Revenue	Percent	Revenue	Percent
Reliance Power Netherlands B.V.	2,09,471	100%	1,60,627	100%

14) Disclosure of Loans and Advances to Subsidiaries pursuant to Schedule V Regulation 34(3) of the Companies Act, 2013:

Name	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Subsidiary :				
Reliance Power Netherlands B.V.	35,98,157	34,67,584	35,98,157	34,67,584

15) 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.

16) The Company, based on the objects given in the Memorandum of Association, its operation through subsidiaries and other considerations, has been legally advised that the Company is not covered under the provisions of Non-Banking Financial Company as defined in Reserve Bank of India Act, 1934 and accordingly is not required to be registered under section 45 IA of the said Act. Further, The Management has been legally advised that the Company would qualify as an Infrastructure Company within the meaning of clause (a) of sub-section 11 of section 186 of the Companies Act, 2013.

Reliance Coal Resources Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

17) Changes in Liabilities arising from Financing activities:

Disclosure pursuant to para 14 A to 44 E of Ind AS 7 - Statement of cash flows

	Rupees in '000	
Particulars	Year Ended March 31,2018	Year Ended March 31,2017
Long term Borrowings		
Opening Balance	-	-
- Non Current (redefined as non current)	36,01,580	-
Availed during the year/period	72,509	-
Repaid During the year/period	(1,51,400)	-
Closing Balance	35,22,689	-
Short term Borrowings		
Opening Balance		23,62,480
Availed during the year/period		12,39,100
Repaid During the year/period	-	-
Closing Balance	-	36,01,580
Interest Expenses		
Opening Balance	1,61,493	-
Interest Charge as per Statement Profit & Loss / Intangible assets under development	3,20,259	3,15,952
Interest paid	(2,260)	(1,54,459)
Closing Balance	4,79,492	1,61,493

18) Previous year's figures are regrouped / reclassified, wherever necessary.

As per our report of even date attached

For Chaturvedi and Shah
Chartered Accountants
Firm Registration No.: 101720W

For and on Behalf of Board of Directors

Lalit R Mhalsekar
Partner
Membership No. 103418

Sanjay Bafna
Director
(DIN:0362733)

Ravi Gehani
Director
(DIN: 07319550)

Date: April 17, 2018
Place: Mumbai

Date: April 17, 2018
Place: Mumbai

Date: April 17, 2018
Place: Mumbai