

Annual Report
2016 – 2017

of

Reliance Natural Resources Limited

Independent Auditors' Report

To the Members
Reliance Natural Resources Limited

I. Report on the Financial Statements

We have audited the attached financial statements of Reliance Natural Resources Limited (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of



the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

IV. Opinion

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

V. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable to the Company during the year under review.
2. Further as per the requirements of Section 143(3) of the Act, we report as follows:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in 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 respective directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - (f) We have no observations / comments on the financial transactions / matters which have adverse effect on the functioning of the Company, nor do we have

- any qualified/adverse remarks related to the maintenance of the accounts or other matters connected therewith, in respect of the Company;
- (g) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (h) 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;
 - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

For SMMP & Associates
Chartered Accountants
Firm Registration No. 120438W

Chintan Shah
Partner
Membership No. 166729

Mumbai, 10th April 2017

Annexure A to the Auditors' Report

(Referred to in paragraph V(1) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under:

1. Fixed Assets

- a. In our opinion, the Company has maintained proper records pertaining to fixed assets showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, during the year, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c. As explained to us, the title deeds of immovable property comprising of Building are held in the name of the company.

2. Inventory

- a. The Inventory as reflected in the books of the Company comprises of its share as per the statement of account of consortium representing a Joint Venture and lying with the co-venturer. As explained to us, physical verification of inventories has been carried out at reasonable intervals by the said co-venturer and the same has been relied upon by the Company in this regard.
- b. Taking into consideration the above and considering the explanations given to us by the Company in respect of the co-venturer, we are of the opinion that the procedures of physical verification and the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion, the Company is maintaining proper record of Inventory based on the statement of the consortium as explained above. As explained to us, the discrepancies noticed between the physical stock and records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.

3. Loans to parties of Directors' Interest

During the year, the Company has not granted any loans, secured or unsecured to the parties covered in the register maintained under Section 189 of the Act.

4. Loans/Guarantees/Investments in / Provision of Security to certain parties

Based on the information and explanations given to us and on the basis of records verified by us the Company has complied with the provisions of Sections 185 and 186 of the Act to the extent applicable

5. Acceptance of Deposits

According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

6. Maintenance of Cost Records

As explained to us, maintenance of cost records has not been prescribed by the Central Government for the Company under Section 148(1) of the Act.

7. Undisputed & Disputed Statutory Dues

(a) According to the information and explanations given to us and as per the records verified by us, the Company has been regular in depositing undisputed statutory dues involving Income Tax, Provident Fund, Employee State Insurance and Service Tax with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they become payable as at the close of the year. Keeping in view the present operations of the Company, statutes relating to Sales Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company during the year under review.

b) As per the records, no disputed statutory dues have been lying pending with the Company as at the close of the year under review.

8. Loans from Banks/Financial Institutions/ Government/Debentures

As per the records verified by us, the Company has not availed any loan/facility from banks/financial institutions/Government and hence the question of default in repayment of the same does not arise. Further, no amounts were borrowed by the Company through debentures.

9. Proceeds of Public issue (including debt instruments) /Term Loans

The Company has not raised any money during the year through initial / further public offer (including debt instruments). Also, the Company has not availed any term loans during the current or earlier years and hence the matter of application of the same does not arise.

10. Frauds on or by the Company

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 fraud on or by the Company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.

11. Managerial Remuneration

According to the information and explanations given to us and as per the records verified by us, the Company has not paid any managerial remuneration, which falls within the provisions of Section 197 of the Act read with Schedule V to the Act.

12. Nidhi Companies

The Company is not a Nidhi company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 is not applicable to the Company.

13. Related Party Transactions

As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the Company were in compliance with Sections 188 of the Act, to the extent applicable to the Company during the year. The relevant details in respect of the same have been appropriately disclosed as per the requirements of the Accounting Standard- 18. Further provision of Section 177 is not applicable to the Company.

14. Preferential Issue

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.

15. Non-cash Transactions with Directors, etc.

As per the information and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of Section 192 of the Act.

16. Provisions of 45-IA of the Reserve Bank of India Act, 1934

As per the information and explanations provided to us and based on the overall operations of the Company, the Company does not carry on NBFC activities and hence the question of registration under Section 45-IA of the Reserve Bank of India Act 1934 does not arise.

For SMMP & Associates
Chartered Accountants
Firm Registration No. 120438W

Chintan Shah
Partner
Membership No. 166729

Mumbai, 10th April 2017

Annexure B to the independent Auditor's Report of even date on the financial statement of Reliance Natural Resources Limited

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 of Reliance Natural Resources Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company comprising of the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended.

Management's Responsibility for Internal Financial Controls :

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 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 Companies Act, 2013.

Auditors' Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note 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 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 internal financial control over financial reporting 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion :

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SMMP & Associates
Chartered Accountants
Firm Registration No. 120438W

Chintan Shah
Partner
Membership No. 166729

Mumbai, 10th April 2017

Reliance Natural Resources Limited
Balance Sheet as at March 31, 2017

Particulars	Note No.	Rupees in '000		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	2,62,805	2,70,040	2,81,339
Financial assets				
Other financial assets	4.2	20,419	20,419	20,807
Current assets				
Financial assets				
Cash and cash equivalents	4.3	2,453	38,048	626
Loans	4.4	-	70,288	-
Other financial assets	4.5	3,960	3,960	3,16,526
Current tax assets (net)	4.6	67,885	58,685	908
Total		2,57,622	4,59,439	6,20,206
EQUITY AND LIABILITIES				
Equity				
Equity share capital	4.7	500	500	500
Other equity	4.8	1,57,905	1,72,989	1,83,945
Liabilities				
Non-current liabilities				
Financial liabilities				
Current liabilities				
Financial liabilities				
Other financial liabilities	4.9	1,99,218	2,86,949	4,35,761
Total		3,57,622	4,59,439	6,20,206

Significant accounting policies

2

Notes on financial statements

3 to 16

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

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board

Chintan Shah
Partner
Membership No. 166729

Paresh Rathod
Director
Din No. 00004357

Ashwin Purohit
Director
Din No. 07062599

Date :
Place :

Date :
Place :

Date :
Place :

Rolland Natural Resources Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	Rupees in '000	
		Year ended March 31, 2017	Year ended March 31, 2016
Other income	4.10	999	1,205
Total Income		999	1,205
Expenses			
Finance costs	4.11	32	-
Depreciation expense		13,041	10,895
Other expense	4.12	3,011	1,466
Total expenses		16,083	12,161
Loss before tax		(15,084)	(10,956)
Income tax expense			
Current tax		-	-
Profit/(Loss) for the year (A)		(15,084)	(10,956)
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)		(15,084)	(10,956)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and Diluted (Rupees)	7	(150.84)	(109.56)
Significant accounting policies	2		
Notes on financial statements	3 to 18		
The accompanying notes are an integral part of these financial statements			

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board

Chintan Shah
Partner
Membership No. 186729

Paresh Rathod
Director
Din No. 00004357

Ashwin Purohit
Director
Din No. 07002599

Date :
Place :

Date :
Place :

Date :
Place :

Reliance Natural Resources Limited
Statement of changes in equity

A. Equity Share Capital (Refer note 4.7)

Particulars	Rupees in '000
Balance as at 01 April 2015	500
Changes in equity share capital	-
Balance as at 31 March 2016	500
Changes in equity share capital	-
Balance as at 31 March 2017	500

B. Other Equity (Refer note 4.8.1)

Rupees in '000

Particulars	Retained Earnings	Total
Balance as at 01 April 2015	1,83,946	1,83,946
Profit for the year	(10,956)	(10,956)
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(10,956)	(10,956)
Balance as at 31 March 2016	1,72,989	1,72,989
Profit for the year	(15,084)	(15,084)
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(15,084)	(15,084)
Balance as at 31 March 2017	1,57,905	1,57,905

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

For S M M P & Associates
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board

Chintan Shah
Partner
Membership No. 166729

Paresh Rathod
Director
Din No. 00004357

Ashwin Purohit
Director
Din No. 07062599

Date: Mumbai
Place: 10/06/2017

Date :
Place :

Date :
Place :

Reliance Natural Resources Limited
Cash Flow Statement for the year ended March 31, 2017

Particulars	Year ended March 31, 2017 Rupees in '000	Year ended March 31, 2016 Rupees in '000
(A) Cash flow from / (used in) operating activities		
Profit before tax	(15,084)	(10,858)
Adjusted for :		
Depreciation	13,041	12,842
Interest Income	(999)	(1,174)
Operating profit before working capital changes	(3,043)	712
Change in operating assets and liabilities:		
Increase / (decrease) in other financial liabilities	(86,731)	(1,49,813)
(Increase) / decrease in other financial assets	-	1,85,872
	(86,731)	37,059
Taxes paid (Net)	(11,300)	-
Net cash used in operating activities	(1,01,074)	37,771
(B) Cash flow from / (used in) investing activities		
Payment for property, plant and equipments	(5,806)	(1,543)
Refund from Related parties	70,286	
Interest on bank and other deposits	898	1,194
Net cash from / (used in) investing activities	65,478	(349)
Net Increase / (Decrease) in cash and cash equivalents (A+B)	(35,594)	37,422
Opening Balance of cash and cash equivalents	38,048	628
- Balance in current account		
Closing balance of cash and cash equivalents	2,453	36,048
- Balance in current account		

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

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board

Chintan Shah
Partner
Membership No. 166729

Paresh Rathod
Director
Din No. 00004357

Ashwin Purohit
Director
Din No. 07062589

Date : Mumbai
Place : 10/02/2017

Date :
Place :

Date :
Place :

1) General Information

The Company was originally formed pursuant to the demerger of Coal-based / Gas-based Energy Undertaking of Reliance Industries Ltd (RIL). All the properties, investments, assets and liabilities relating to Gas based energy undertaking of RIL were transferred and vested into the Company on a going concern basis. In consideration of the demerger, the Company allotted 122,31,30,422 shares of Rs. 5/- amounting to share capital of Rs. 611,56,52,110 as share capital. The deficit of net assets over the amount of share capital issued had been treated as Goodwill.

During the year 2010-11 the Board of Directors at its meeting held on July 4, 2010 approved the Composite Scheme of Arrangement between the Company and Reliance Power Limited and its subsidiaries namely AtoS Trading Private limited, AtoS Mercantile Private Limited, Coastal Andhra Power Infrastructure Limited, Reliance Prima Limited and Reliance Futura Limited, which has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated October 15, 2010 and the same has been filed with the Registrar of Companies on October 29, 2010. Pursuant to the Scheme, the Business Undertaking of the Company has been demerged and transferred to Reliance Power Limited with effect from the appointed date i.e. October 15, 2010.

These financial statements were authorised for issue by the board of directors on April 10, 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 note 3 below.

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:

i. Defined benefit plans — plan assets that are measured at fair value;

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

Rollance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

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

The Company has not early adopted any standard, Interpretation or amendment that has been issued but is not yet effective. The amendments do not have any material impact on the financial statements of the Company.

(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) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:

- Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset
- An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/memorandum of understanding

(iv) 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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:

On transition to Ind AS, the company has elected to avail fair value of all of its property, plant and equipment recognised as at April 1, 2015 as deemed cost.

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

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

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) Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss.

(g) 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.

(h) 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.

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. For investments in debt instruments, this will depend on the business model in which the investment is held.

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.

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:

- i. the rights to receive cash flows from the asset have expired, or
- ii. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

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 company 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.

(i) 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 borrowings, dues to holding company and creditors for capital expenditure.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(i) 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

(k) Income tax

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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.

(l) 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.

(m) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.2 Critical accounting estimates and judgements

Preparing the consolidated 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) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period.

3) Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. These financial statements for the year ended March 31, 2017 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016. The Company's opening Ind AS Balance Sheet has been prepared as at April 01, 2015, the date of transition to Ind AS.

3.1 Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

(a) Ind AS optional exemptions

i. Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS at fair value or previous GAAP carrying value and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets". Accordingly, the company has elected to measure all of its property, plant and equipment (PPE) at their fair values. The company has elected to use previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38 "Intangible Assets".

(b) Ind AS mandatory exemptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

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

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

3.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The presentation requirements under previous GAAP differ from Ind AS and hence the previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2015 and March 31, 2016.

Since there is no adjustments on adoption of Ind AS on transition date, no reconciliation is required.

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017

4.1 Property, Plant and Equipment

Particulars	Rupees in '000					Total
	Building	Electrical Installation	Equipments	Furnitures and Fixtures	Total	
Gross carrying amount						
Balance as at April 1, 2015	245,287	9,062	7,324	19,686	281,339	
Additions during the year	-	1,542	-	-	1,542	
Carrying amount as at March 31, 2015	245,287	10,604	7,324	19,686	282,881	
Additions during the year	-	5,805	-	-	5,805	
Carrying amount as at March 31, 2017	245,287	16,410	7,324	19,686	288,687	
Particulars	Building	Electrical Installation	Equipments	Furnitures and Fixtures	Total	
Accumulated depreciation						
Balance as at April 01, 2015	12,254	229	349	-	12,842	
For the year	-	-	-	-	-	
Balance as at March 31, 2016	12,254	229	349	-	12,842	
For the year	12,254	345	430	199	13,240	
Balance as at March 31, 2017	24,529	575	779	199	26,082	
Net carrying amount						
Balance as at April 01, 2015	245,287	9,062	7,324	19,686	281,339	
Balance as at March 31, 2016	233,023	10,375	6,975	19,686	270,039	
Balance as at March 31, 2017	220,758	15,835	6,545	19,467	262,585	

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017

Particulars	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000	As at April 01, 2016 Rupees in '000
4.2 Other non-current financial assets			
Non-current bank balances	20,419	20,419	20,807
	<u>20,419</u>	<u>20,419</u>	<u>20,807</u>
4.3 Cash and cash equivalents			
Balance with banks in current account	2,463	38,048	626
	<u>2,463</u>	<u>38,048</u>	<u>626</u>
4.4 Current Loans			
Advances from related party / others	-	70,288	-
	<u>-</u>	<u>70,288</u>	<u>-</u>
4.5 Other current financial assets (Unsecured and considered good)			
Security deposits	3,745	3,745	3,745
Advance recoverable in cash	216	218	312,781
	<u>3,960</u>	<u>3,960</u>	<u>316,526</u>
4.6 Current tax assets			
Current tax assets (net)	67,885	66,886	908
	<u>67,885</u>	<u>66,886</u>	<u>908</u>

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017

Particulars	Rupees in '000		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorized share capital			
136,88,59,578 (136,65,60,578) Equity Shares of Rs 5 each	6,834,348	6,834,348	6,834,348
1,000,000,000 (1,000,000,000) unclassified Equity Shares of Rs.5 each	5,000,000	5,000,000	5,000,000
	11,834,348	11,834,348	11,834,348
Issued, subscribed and fully paid up capital			
100,000 (100,000) Equity Shares of Rs.5 each fully paid-up	500	500	500
	500	500	500

4.6.1 Reconciliation of number of equity shares

Equity shares	
Balance at the beginning of the year	100,000 (Previous Year : 100,000) shares of Rs. 5 each
Balance at the end of the year	100,000 (Previous year : 100,000) shares of Rs. 5 each

4.8.2 Terms/ rights attached to equity shares

a) Equity shares

The Company has only one class of equity shares having par value of Rs.5 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares	100,000	100%	100,000	100%	100,000	100%
Reliance Power Limited*	100,000	100%	100,000	100%	100,000	100%

4.8.4 Shares held by Holding Company / Subsidiaries of Holding Company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity Shares	100,000	100%	100,000	100%	100,000	100%
Reliance Power Limited - 1,00,000 (Previous year: 1,00,000) shares of Rs.5 each fully paid-up	100,000	100%	100,000	100%	100,000	100%

Particulars	As at March 31, 2017 Rupees in '000	As at March 31, 2016 Rupees in '000	As at April 01, 2015 Rupees in '000
4.8 Other equity			
4.8.1 Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	172,889	193,845	
Profit for the year	(15,084)	(10,050)	
Balance at the end of the year	<u>157,805</u>	<u>172,989</u>	
	<u>187,805</u>	<u>172,989</u>	
4.8 Other current financial liabilities			
Security deposits received	100	100	100
Retention money payable	288	-	-
Dues to Holding Company	188,338	278,423	425,192
Others	10,492	7,425	10,489
	<u>199,218</u>	<u>285,949</u>	<u>435,781</u>

Rollance Natural Resources Limited

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

Particulars	Year ended March 31, 2017 Rupees in '000	Year ended March 31, 2016 Rupees in '000
4.10 Other income		
Interest income:		
Bank deposits	999	1,174
Other non-operating income:	-	31
	<u>999</u>	<u>1,205</u>
4.11 Finance cost		
Other finance charges	32	-
	<u>32</u>	<u>-</u>
4.12 Other expense		
Stamp duty and filing fees	2	-
Legal and professional charges	3,009	1,486
	<u>3,011</u>	<u>1,486</u>

Reliance Natural Resources Limited
Notes to the financial statements as of and for the year ended March 31, 2017 (Continued)

5) Details of remuneration to auditors:

	Year ended March 31, 2017	Rupees in '000 Year ended, March 31, 2016
(a) As auditors		
For statutory audit	25	25
For others	-	-
	25	25

6) Related party transactions:

A. Parties where control exists:

Holding Company:
Reliance Power Limited (R Power)

Fellow subsidiary:
Sasan Power Limited (SPL)
Vidarbha Industries Power Limited (VIPL)
Rosa Power Supply Company Limited (RPSCL)
Rajasthan Sun Technique Energy Private Limited (RSTEPL)

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

Particulars	March 31, 2017	March 31, 2016
	Rupees in '000	Rupees in '000
Transactions during the year:		
Reimbursement of expenses		
SPL	-	54,428
RPSCL	-	41,804
VIPL	-	23,667
R Power	94,500	-
Expenses incurred on our behalf		
R Power	836	42
Sundry Advances taken (net)		
R Power	97,000	38,911
Sundry Advances refund (net)		
R Power	95,000	-
Transfer of Receivables		
R Power	-	184,222

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Rupees in '000	Rupees in '000	Rupees in '000
Closing balance			
Outstanding Payable			
R Power	188,338	278,423	425,192
SPL	-	-	117,657
RSTEPL	-	-	10,685
Outstanding receivables			
SPL	-	48,985	-
VIPL	-	21,300	-

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

7) Earnings per share:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit available to equity shareholders		
Profit/(loss) after tax (A) (Rupees in '000)	(15,084)	(10,956)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	100,000	100,000
Basic and diluted earnings per share (A / B) (Rs.)	(150.84)	(109.56)
Nominal value of an equity share (Rs.)	10.00	10.00

8) Income taxes

The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2017	March 31, 2016
Profit/(loss) before tax	(15,084)	(10,956)
Tax at the Indian tax rate of 30.90%	(4,661)	(3,385)
Tax losses for which no deferred income tax was recognised	4,661	3,385
Income tax expense	-	-

9) 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.

	Rupees in '000		
	March 31, 2017	March 31, 2016	April 01, 2016
Financial assets			
Security deposits	3,746	3,745	3,745
Non-current bank balances	20,419	20,419	20,807
Cash and cash equivalents	2,453	38,048	628
Loans / advances to related party	-	70,286	-
Advance recoverable in cash or in kind	215	215	312,781
Total financial assets	26,832	132,713	337,959
Financial liabilities			
Security deposits received	100	100	100
Retention money payable	288	-	-
Dues to Holding Company	180,338	278,423	425,182
Others	10,492	7,425	10,480
Total financial liabilities	199,218	285,949	435,761

(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. The company does not have long term financial assets and financial liabilities as at 31 March 2016 and 31 March 2017. Therefore table is presented only for financial assets and financial liabilities as at 1 April 2016.

(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 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.

10) 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

(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.

March 31, 2017	Rupees in '000			
	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Security deposits received	100	-	-	100
Retention money payable	288	-	-	288
Dues to Holding Company	188,338	-	-	188,338
Others	10,492	-	-	10,492
Total financial liabilities	199,218	-	-	199,218

March 31, 2016	Rupees in '000			
	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Security deposits received	100	-	-	100
Dues to Holding Company	270,423	-	-	270,423
Others	7,425	-	-	7,425
Total financial liabilities	265,948	-	-	265,948

April 01, 2015	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Security deposits received	100	-	-	100
Dues to Holding Company	425,192	-	-	425,192
Others	10,469	-	-	10,469
Total financial liabilities	435,761	-	-	435,761

11) 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:

	March 31, 2017	March 31, 2016	Rupees in '000 April 1, 2015
Equity	158,405	173,489	184,445
Total	158,405	173,489	184,445

12) 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.

- 13) Balances appearing under the heads Loans & Advances and Current Liabilities are as per books of accounts and as such are subject to consequential adjustments, if any which may arise on receipts of confirmations and/or completion of reconciliations.
- 14) As there are no employees, provision towards gratuity and leave encashment has not been considered in the accounts as per the recommendations of Accounting Standard 15 – Employee Benefits.
- 15) There are no reportable segments under Accounting Standard 17 'Segment Reporting' Issued as prescribed by Companies (Accounting Standard) Rules, 2006.
- 16) In the opinion of the Board, Current as well as Non-current Assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

For S M M P & Associates
Chartered Accountants
Firm Registration No: 120438W

For and on behalf of the Board

Chintan Shah
Partner
Membership No. 166729

Parash Rathod
Director
DIn No. 00004357

Ashwin Purohit
Director
DIn No. 07082599

Date: Mumbai
Place: 10/04/17

Date:
Place:

Date:
Place: