

M.S. Sethi & Associates

Chartered Accountants

Manoj Sethi

B.Com., F.C.A.

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FIT FOR CONSOLIDATION

We have audited the accompanying financial statements of **Reliance Power Holding FZC, Dubai** (the "Company") which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The financial statements have been prepared by the management of the Company in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and accounting policies generally accepted in India only to enable their incorporation in the consolidation financial statements of Reliance Power Limited and not to report on the Company as a separate entity. We have conducted our audit in accordance with the auditing standards generally accepted in India.

The financial statements are the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Management of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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 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.

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

On this basis of information and explanations given to us and in our opinion, the accompanying financial statements of the Company, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017 and its Loss for the year ended on that date.

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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

This report is intended solely for information and use of the Company, Reliance Power Limited, for the express purpose of completion of consolidated accounts of Reliance Power Limited for the year ended March 31, 2017 and not to be used for any other purpose.

For M.S. Sethi & Associates

Chartered Accountants

Regn.No.109407W

Manoj Sethi

Proprietor

Membership No.39784

Place: Mumbai

Date : April 12, 2017

Reliance Power Holding FZC, Dubai
Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017 Rupees in '000
ASSETS		
Non-current assets		
Financial assets:		
Investments	3.1	5,008
Current assets		
Financial assets:		
Cash and cash equivalents	3.2	4,008
Other current assets	3.3	367
Total Assets		9,381
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3.4	9,069
Other equity	3.5	(953)
Current liabilities		
Financial liabilities		
Other financial liabilities	3.6	963
Other current liabilities	3.7	302
Total Equity and Liabilities		9,381
Significant Accounting Policies	2	

The notes are an integral part of these financial statements

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn. No:109407W

For Reliance Power Holding FZC, Dubai

Manoj Sethi
Proprietor
Membership No.39784

Suresh Nagarajan
Authorised Signatory

Place: Mumbai
Date : April 12, 2017

Place: Mumbai
Date : April 12, 2017

Reliance Power Holding FZC, Dubai
Statement of Profit and Loss for the Period ended March 31, 2017

Particulars	Note No.	From May,15, 2016 to March 31, 2017 Rupees in '000
Revenue:		
Other income		
Total income		-
Expenses:		
Finance cost	3.8	13
Other expenses	3.9	940
Total expenses		953
Profit/(Loss) before tax		(953)
Tax expense:		
Current tax		
Profit/(Loss) for the Period		(953)
Significant Accounting Policies	2	

The notes are an integral part of these financial statements

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn. No 109407W

For Reliance Power Holding FZC, Dubai

Manoj Sethi
Proprietor
Membership No.39784

Suresh Nagarajan
Authorised Signatory

Place: Mumbai
Date : April 12, 2017

Place: Mumbai
Date : April 12, 2017

Reliance Power Holding FZC, Dubai

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

Particulars	As at March 31, 2017 Rupees in '000
3.1 Investments	
Equity Instruments (unquoted, fully paid-up, at cost) In Subsidiaries	
In Equity Shares of Reliance Bangladesh LNG & Power Limited 582,749 Equity shares of USD 1 each	5,006
	<u>5,006</u>
3.2 Cash and cash equivalents	
Bank balance in current account	4,008
	<u>4,008</u>
3.3 Other current assets	
Prepaid expenses	367
	<u>367</u>

Reliance Power Holding FZC, Dubai

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

Particulars	As at March 31, 2017 Rupees in '000
3.4 Equity share capital	
Authorised	
Issued, subscribed and paid up capital	
100 Equity shares of AED 5000 each	9,069
	<u>9,069</u>
3.5 Other equity	
Retained earnings	
Balance at the beginning of the Period	-
Profit for the year	(953)
Balance at the end of the Period	<u>(953)</u>
3.6 Other financial liabilities	
Dues to fellow subsidiary	963
	<u>963</u>
3.7 Other current liabilities	
Other payables	302
	<u>302</u>

Reliance Power Holding FZC, Dubai

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

From May, 15, 2016
to March 31, 2017
Rupees in '000

3.8 Finance Cost

Bank and other finance charges	13
	<u>13</u>

3.9 Other expenses

Miscellaneous expenses	940
	<u>940</u>

1) **General information:**

Reliance Power Holding FZC, Dubai incorporated in Dubai, was established on 16th May 2016 and it is a Group Company of Reliance Power Limited.

2) **Significant Accounting Policies:**

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").

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").

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.

(b) **Property, plant and equipment:**

All other items of property, plant and equipment are stated at historical cost which includes capitalised borrowing cost, less depreciation and impairment loss, if any. 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.

Depreciation method:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life.

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 through profit or loss
- 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.

(c) **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.

(d) **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.

(e) Foreign currency translation:

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 on 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.

(f) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

(g) Cash and cash equivalents:

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.