

Independent Auditors' Report

To the Members of Urthing Sobla Hydro Power Private Limited

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

1. We have audited the accompanying financial statements of **Urthing Sobla Hydro Power 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 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) specified in the Companies (Indian Accounting Standards) Rules, 2015 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 and the Rules made thereunder, 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.
5. We conducted our audit of the 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 auditors' 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 assessment, 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Urthing Sobla Hydro Power Private Limited
Report on 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, 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 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B 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:
- 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - 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;
 - 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 A;
 - With respect to the other matters to be included in the Auditors' 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:

INDEPENDENT AUDITORS' REPORT

To the Members of Urthing Sobla Hydro Power Private Limited
Report on the Ind AS Financial Statements

- i. The Company does not have any pending litigations which would impact its financial position 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
Firm Registration No: 101720W
Chartered accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 16, 2018

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Urthing Sobla Hydro Power Private Limited on the financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of **Urthing Sobla Hydro Power Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the 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, issued by ICAI and 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 Institute of Chartered Accountants of India. 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.

4. 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 financial statements, whether due to fraud or error.
5. 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 'A' to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Urthing Sobla Hydro Power Private Limited on the financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls over Financial Reporting

6. 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. 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 Institute of Chartered Accountants of India.

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

Lalit .R. Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 16, 2018

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Urthing Sobla Hydro Power Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2018.

- (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 Order is not applicable
- (ii) The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, during the year the Company has not granted any loans secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 [except for sub- section (1)] are not applicable to it.
- (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 meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve bank of India or any other tribunal.
- (vi) According to the information & explanations given to us, provisions relating to maintenance of cost records as prescribed under subsection (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable with appropriate authorities. There are no undisputed amounts payable outstanding as at March 31, 2018 for a period of more than six months from the date they became 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, service tax, Goods and Service tax, duty of customs and duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, and based on our audit procedures, we are of the opinion that the Company has not taken any loan from a financial institution, bank, Government, nor it has issued debentures. Therefore, the provisions of the Clause 3 (viii) of the said order are not applicable to the Company.

Annexure 'B' to Independent Auditors' Report

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

- (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, further public offer (including debt instruments) and term loans during the year under audit. Therefore, the provisions of the 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 any 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 case 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, accordingly, paragraph 3 (xii) of the Order is 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.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence the provisions 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, the Company has not entered in any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, therefore clause 3 (xvi) of the Order is not applicable to the Company.

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

Lalit .R. Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 16, 2018

Urthing Sobla Hydro Power Private Limited
Balance Sheet as at March 31, 2018

Particulars	Note	Rupees in thousands	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	29	71
Capital work-in-progress	3.2	55,600	55,600
Current assets			
Financial assets			
Cash and cash equivalents	3.3	114	165
Total		55,743	55,836
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.4	180	180
Instrument Entirely equity In nature	3.5	162	162
Other equity	3.6	47,995	46,085
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	3.7(a)	7,320	7,220
Other financial liabilities	3.7(b)	86	189
Total		55,743	55,836
Significant accounting policies	2		
Notes on financial statements	1 to 15		

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

For Chaturvedi & Shah
Firm Registration No 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Lalit. K. Winaisekar
Partner
Membership No. 103418

Murl Manohar Purohit
Director
DIN :07882151

Paresh Rathod
Director
DIN : 00004357

Place : Mumbai
Date : April 16, 2018

Place : Mumbai
Date : April 16, 2018

Urthing Sobla Hydro Power Private Limited
Statement of Profit and Loss for the Year ended March 31, 2018

Particulars	Note	Rupees In thousands	
		Year ended March 31, 2018	Year ended March 31, 2017
Other Income		-	-
Total Income		-	-
Expenses			
Finance costs	3.8	-	@
Depreciation and amortization expense	3.1	42	93
Other expenses	3.9	48	2,447
Total expenses		90	2,540
Profit/(Loss) before tax		(90)	(2,540)
Income tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year (A)		(90)	(2,540)
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		(90)	(2,540)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and Diluted (Rupees)	8	(4.98)	(140.79)
Significant accounting policies	2		
Notes on financial statements	1 to 15		

@ Amount is below the rounding off norm adopted by the company.
The accompanying notes are an integral part of these financial statements

For Chaturvedi & Shah
Firm Registration No 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Lalit. R. Mhalsekar
Partner
Membership No. 103418

Murli Manohar Purohit
Director
DIN :07882151

Paresh Rathod
Director
DIN : 00004357

Place : Mumbai
Date : April 16, 2018

Place : Mumbai
Date : April 16, 2018

Urthing Sobla Hydro Power Private Limited
Cash Flow Statement for the year ended March 31, 2018

Particulars	Rupees in thousands	
	Year ended March 31, 2018	Year ended March 31, 2017
(A) Cash flow generated from/ (used in) Operating activities		
Not Profit/ (Loss) before tax	(90)	(2,540)
Adjustments for:		
Depreciation and amortisation expenses	42	93
Operating Loss before working capital changes	(48)	(2,447)
Adjustment for:		
Increase/ (Decrease) in Other Current Liabilities	(103)	@
Net cash flow generated from / (used in) Operating activities	(151)	(2,447)
(B) Cash flow generated from/ (used in) Investing activities	-	-
(C) Cash flow generated from / (used in) Financing activities		
Inter corporate deposit received	100	2,420
Net cash flow generated from / (used in) Financing activities	100	2,420
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(51)	(27)
Cash and cash equivalents at the beginning of the year:		
Bank balance - current account	165	192
Cash and cash equivalents at the end of the year:		
Bank balance - current account	114	165

@ Amount is below the rounding off norm adopted by the company.
The accompanying notes are an integral part of these financial statements.

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows

For Chaturvedi & Shah
Firm Registration No 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Lalit. R. Mhalsekar
Partner
Membership No. 103418

Murli Manohar Purohit **Paresh Rathod**
Director Director
DIN : 07882151 DIN : 00004357

Place : Mumbai
Date : April 16, 2018

Place : Mumbai
Date : April 16, 2018

Urthing Sobla Hydro Power Private Limited
Statement of changes in equity

A. Equity Share Capital	Rupees In thousands
	Amount
Balance as at April 01, 2016	180
Changes in equity share capital	-
Balance as at March 31, 2017	180
Changes in equity share capital	-
Balance as at March 31, 2018	180

B. Other Equity	Rupees in thousands				
	Instruments entirely equity in nature		Reserves and Surplus		
	Compulsory Convertible Preference Shares	Total	Securities Premium Account	Retained Earnings	Total
Balance as at April 01, 2016	162	162	170,157	(119,532)	50,625
Profit for the year	-	-	-	(2,540)	(2,540)
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(2,540)	(2,540)
Addition during the year	-	-	-	-	-
Balance as at March 31, 2017	162	162	170,157	(122,072)	48,085
Profit for the year	-	-	-	(90)	(90)
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(90)	(90)
Addition during the year	-	-	-	-	-
Balance as at March 31, 2018	162	162	170,157	(122,162)	47,995
					48,157

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

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

For and on behalf of the Board of Directors

Lalit. K. Minaisekar
Partner
Membership No. 103418

Murli Manohar Purohit
Director
DIN : 07882151

Pareesh Rathod
Director
DIN : 00004357

Place : Mumbai
Date : April 16, 2018

Place : Mumbai
Date : April 16, 2018

Urthing Sobla Hydro Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018

1) General information

Urthing Sobla Hydro Power Private Limited is a subsidiary of Reliance Power Limited. The company has been set up as a Special Purpose Vehicle to develop a 400 MW run-of-the-river Hydro Electric Project on river Dhauliganga, a tributary of Sarda River and is situated in Pithoragarh District of Uttarakhand. Register Address of the company is H-Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhane, Navi Mumbai-400710

These financial statements were authorised for issue by the Board of Directors on April 16 2018.

2) Significant accounting policies, 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").

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;
- Defined benefit plans – plan assets that are measured 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Recent Accounting Pronouncement

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 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.

(c) 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 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 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.

(c) Impairment of non-financial assets

Assets which are subject to depreciation or amortisation are tested 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(d) 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.

Investment and other financial assets

1. 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.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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 other 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 (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. 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.

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.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

(e) Offsetting financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(f) 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.

(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.

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 draw-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 draw-down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and 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.

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) 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.

(j) 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' (Rs.), which is the Company's functional and 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 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.

(k) Employee benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post employee obligations

The group operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(i) 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 operates 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, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 substantively 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.

(m) Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institution, other short term highly liquid investment with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(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.

(p) 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 Directors of the Company that makes strategic decisions.

(q) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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 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) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

3.1 Property, Plant and Equipment

	Rupees in thousands		
	Plant & equipment	Furniture & fixtures	Total
Gross carrying amount			
Carrying amount as at April 01, 2016	249	8	257
Additions during the year	-	-	-
Carrying amount as at March 31, 2017	249	8	257
Additions during the year	-	-	-
Carrying amount as at March 31, 2018	249	8	257
Accumulated Depreciation as at April 01, 2016	92	1	93
Depreciation for the year	92	1	93
Balance as at March 31, 2017	184	2	186
Depreciation for the year	41	1	42
Balance as at March 31, 2018	225	3	228
Net Carrying Amount			
As at March 31, 2017	65	6	71
As at March 31, 2018	24	5	29

3.2 Capital Work in Progress

	Rupees in thousands
	Capital Work in progress
Balance as at April 01, 2016	55,600
Incurred during the year	-
Capitalised/Adjusted during the year	-
Balance as at March 31, 2017	55,600
Incurred during the year	-
Capitalised/Adjusted during the year	-
Balance as at March 31, 2018	55,600

Urthing Sobla Hydro Power Private Limited

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

Particulars	Rupees in thousands	
	As at March 31, 2018	As at March 31, 2017
3.3 Cash and cash equivalents		
Balance with banks:		
in current account	114	165
	114	165

Urliking Sobla Hydro Power Private Limited
Notes to the financial statements as of and for the Year ended March 31, 2018 (continued)

	Rupees in thousands	
	As at March 31, 2018	As at March 31, 2017
3.4 Share capital		
Authorised share capital		
5,000,000 (March 31, 2017: 5,000,000) equity shares of Rs. 10 each	50,000	50,000
	50,000	50,000
Issued, subscribed and fully paid up capital		
18,040 (March 31, 2017: 18,040) equity shares of Rs. 10 each fully paid up	180	180
	180	180

3.4.1 Reconciliation of number of equity shares

Equity shares		
Balance at the beginning of the year - 18,040 (March 31, 2017: 18,040) share of Rs.10 each	18,040	18,040
Balance at the end of the year - 18,040 (March 31, 2017: 18,040) shares of Rs. 10 each	18,040	18,040

3.4.2 Terms/ rights attached to equity shares

Equity shares

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

3.4.3 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)	16,040	89%	16,040	89%
Reliance Infrastructure Limited (Equity shares of Rs. 10 each fully paid up)	2,000	11%	2,000	11%
	18,040	100%	18,040	100%

3.4.4 Shares held by Holding Company / Subsidiaries of Holding Company

	As at March 31, 2018	As at March 31, 2017
Equity Shares		
Reliance Power Limited (Equity shares of Rs. 10 each fully paid up)	160,400	160,400
(Of the above, 16,039 (March 31, 2017: 16,039) shares are held by Reliance Power Limited, the Holding Company and 1 Share is jointly held by Reliance Power Limited and its nominee)		
	160,400	160,400

	Rupees In thousands	
	As at March 31, 2018	As at March 31, 2017
3.5 Instrument Entirely equity in nature		
Preference share capital		
Authorised share capital		
200,000,000 (March 31, 2017: 200,000,000) preference shares of Re. 1 each	200,000	200,000
	200,000	200,000
Issued, subscribed and fully paid up capital		
162,360 (March 31, 2017: 162,360) Preference Shares of Rs. 1 each	162	162
	162	162

3.5.1 Reconciliation of number of shares

Preference shares		
Balance at the beginning of the year -162,360 (March 31, 2017: 162,360) share of Re.1 each	162,360	162,360
Balance at the end of the year - 162,360 (March 31, 2017: 162,360) shares of Rs. 10 each	162,360	162,360

3.5.2 Terms/ rights attached to equity shares

Preference shares

7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.

3.5.3 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
Preference shares				
Reliance Power Limited (Preference Share of Re.1 each Fully paid up)	162,360	100%	162,360	100%
	162,360	100%	162,360	100%

3.5.4 Shares held by Holding Company / Subsidiaries of Holding Company

	As at March 31, 2018	As at March 31, 2017
Preference shares [refer note no. 3.5.2]		
Reliance Power Limited - 162,360 (March 31, 2017: 162,360) shares of Re. 1 each fully paid up	162	162
	162	162

Particulars	Rupees in thousands	
	As at March 31, 2018	As at March 31, 2017
3.6 Other equity		
Balance at the end of the year		
3.6.1 Securities premium account	170,157	170,157
3.6.2 Retained earning	(122,162)	(122,072)
	<u>47,995</u>	<u>48,085</u>
3.6.1 Securities premium account		
Balance at the beginning of the year	170,157	170,157
Balance at the end of the year	<u>170,157</u>	<u>170,157</u>
3.6.2 Retained earning		
Balance at the beginning of the year	(122,072)	(119,532)
Profit for the year	(90)	(2,540)
Balance at the end of the year	<u>(122,162)</u>	<u>(122,072)</u>
Nature and purpose of other reserves:		
Securities premium account		
Securities premium account is created to record premium received on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013		
3.7(a) Current borrowings		
Inter corporate Deposit with related party (Refer note 6)	7,320	7,220
	<u>7,320</u>	<u>7,220</u>
3.7(b) Other current financial liabilities		
Creditors for supplies and services (Refer note 9)	74	74
Other payables	12	115
	<u>86</u>	<u>189</u>

Urthing Sobla Hydro Power Private Limited

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

Particulars	Rupees in thousands	
	Year ended March 31, 2018	Year ended March 31, 2017
3.8 Finance cost		
Other finance charges	-	@
	-	@
3.9 Other expenses		
Stamp duty and filing fees	3	1
Legal and professional charges (including shared service charges)	40	2,443
Rates and taxes	4	3
Miscellaneous expenses	1	-
	48	2,447

@ Amount is below the rounding off norm adopted by the company.

4) Project Status:

The Company has a 400 MW (4 x 100 MW) run-of-the-river Hydro Electric Project on river Dhauliganga, a tributary of Sarda River and is situated in Pithoragarh District of Uttarakhand which was awarded in April 2005 by the Government of Uttarakhand (GoU) on Build Own Operate and Transfer (BOOT) basis. Pursuant to the said award, Rs. 5,56,00,000 (Rupees Five Crore and fifty six Lacs Only) was paid to Government of Uttarakhand as processing and Upfront fee for Development and commissioning of the Project. A Project Development Agreement (PDA) was entered into with the Government of Uttarakhand to carry out studies and investigations for preparation of Detailed Project Report (DPR) and to develop and operate the Project. SMEC, Australia has been appointed as the consultant for preparation of DPR. The Project is located in Ascol Musk Deer Sanctuary and requires re-demarcation of sanctuary. The Government of Uttarakhand has notified re-demarcated boundaries of the sanctuary. The impact of re-demarcation on the Project is being ascertained.

5) Details of remuneration to auditors:

	Rupees in thousands	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) As auditors		
For statutory audit	10	100
For others	-	5
	10	105

6) Related party transactions:

A. Parties where control exists:

Holding Company:

Reliance Power Limited (R Power)

B. Investing parties/promoters having significant influence on the Company directly or indirectly:

Companies

Reliance Infrastructure Limited (R Infra)

Individual

Shri Anil D Ambani

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

	Rupees in thousands	
Particulars	March 31, 2018	March 31, 2017
Transactions during the year:		
Legal and professional fees (including shared service charges)		
R Power	-	2,300
Inter- corporate deposits received		
R Power	100	2,425
Reimbursement of expenses - paid by		
R Power	3	1
Inter- corporate deposits refund to		
R Power	-	5

	Rupees in thousands	
Particulars	March 31, 2018	March 31, 2017
Closing balance		
Equity share capital (excluding premium)		
R Power	160	160
R Infra	20	20
Preference share capital (excluding premium)		
R Power	162	162
Inter corporate deposits payable		
R Power	7,320	7,220

Urthing Sobla Hydro Power Private Limited
Notes to the financial statements as of and for the year ended March 31, 2018 (Continued)

7) Earnings per share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) available to equity shareholders		
Profit/(Loss) after tax (A) (Rupees in thousands)	(90)	(2,540)
Weighted average number of equity share (B)	18,040	18,040
Earnings per share Basic and diluted (A / B) (Rs.)	(4.98)	(140.79)
Nominal value of an equity share (Rs.)	10	10

7.5% Compulsory Convertible Non-Cumulative Redeemable Preference Shares had an anti-dilutive effect on earnings per share and hence have not been considered for the purpose of computing dilutive earnings per share.

8) Income taxes

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

Rupees in thousands		
The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2018	March 31, 2017
Profit/(Loss) before tax	(90)	(2,540)
Tax at the Indian tax rate of 25.75 (2016-17: 29.87%)	(23)	(759)
Tax losses not claimed under the Income Tax Act, 1961	(23)	(759)
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 FVPL or FVOCI. Financial assets and liabilities which are measured at amortised cost are as follows:

Rupees in thousands		
	March 31, 2018	March 31, 2017
Financial assets		
Cash and cash equivalents	114	165
Total financial assets	114	165
Financial liabilities		
Inter corporate deposits	7,320	7,220
Creditors for supplies and services	74	73
Others	12	116
Total financial liabilities	7,406	7,409

(b) Fair value hierarchy

There are no long term financial assets and financial liabilities which are measured at amortised cost or fair value.

10) Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, 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
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 the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

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 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.

Rupees in thousands				
March 31, 2018	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Inter corporate deposits	7,320	-	-	7,320
Creditors for supplies and services	73	-	-	73
Others	12	-	-	12
Total financial liabilities	7,405	-	-	7,405

Rupees in thousands				
March 31, 2017	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Inter corporate deposits	7,220	-	-	7,220
Creditors for supplies and services	74	-	-	74
Others	116	-	-	116
Total financial liabilities	4,410	-	-	4,410

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 and debt on a periodic basis. Equity comprises all components of equity. Debt includes inter corporate deposit. The following table summarizes the capital of the Company:

Rupees in thousands		
	March 31, 2018	March 31, 2017
Equity	48,337	48,427
Debt	7,320	7,220
Total	55,657	55,647

12) Changes In Liabilities arising from Financing Activities

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

		Rupees in thousands	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Short term Borrowings			
Opening Balance	7,220	-	
Availed during the year/period	100	7,220	
Repaid During the year/period	-	-	
Closing Balance	7,320	7,220	

13) Segment Reporting

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India and also all non-current assets are located in India. The Company does not have revenue from any type of product or service or any external customer.

14) 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.

15) Previous year figures have been regrouped/ rearranged wherever necessary to confirm to the current year classification.

For Chaturvedi & Shah

Firm Registration No 101720W

Chartered Accountants

For and on behalf of the Board of Directors

Lalit. R. Mhalsekar

Partner

Membership No. 103418

Murli Manohar Purohit

Director

DIN : 07882151

Paresh Rathod

Director

DIN : 00004357

Place : Mumbai

Date : April 16, 2018

Place : Mumbai

Date : April 16, 2018