

**Reliance Energy Generation and  
Distribution Limited  
Financial Statements  
2019-20**

# Independent Auditor's Report

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## To the Members of RELIANCE ENERGY GENERATION AND DISTRIBUTION LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **RELIANCE ENERGY GENERATION AND DISTRIBUTION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, 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;

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- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these Financial Statements;
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place: Mumbai  
Date: 22 April, 2020  
UDIN: 20136007AAAACP3366

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**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE ENERGY GENERATION AND DISTRIBUTION LIMITED**

**(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- i) As the Company has no fixed assets during the year, clause (i) of paragraph 3 of the Order is not applicable.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- iii) The Company has granted unsecured loans to one party covered under Section 189 of the Act.
  - a) The terms and conditions of the loan granted are not prejudicial to the Company’s interest.
  - b) As per the terms of such loan, the schedule of repayment of principal and payment of interest for such loans has been stipulated and the repayments and receipts are regular during the year.
  - c) There are no overdue amounts in respect of principal and interest during the year.
- iv) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues as applicable to it have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues as applicable to it, which have not been deposited as on March 31, 2020 on account of any dispute.
- viii) The Company has not raised any loans from financial institutions or banks or government or debenture holders. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of shares during the year. The Company has complied with requirements of Section 42 of the Act and amount raised have been used for the purpose for which funds were raised.

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- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020  
UDIN : 20136007AAAACP3366

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE ENERGY GENERATION AND DISTRIBUTION LIMITED**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **RELIANCE ENERGY GENERATION AND DISTRIBUTION LIMITED** (“the Company”) as of March 31, 2020 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**

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 (the “Guidance Note”) 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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.

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 with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

A company’s internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference To These Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with

reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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 issued by ICAI.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020  
UDIN : 20136007AAAACP3366

## BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As at 31st March, 2020	₹ in lakhs As at 31st March, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Financial Assets			
Investments	1	16 21 151	10 87 120
<b>Total Non-Current Assets</b>		<b>16 21 151</b>	<b>10 87 120</b>
<b>CURRENT ASSETS</b>			
Financial Assets			
Trade Receivable	2	-	13
Cash and Cash Equivalents	3	4	47
Loan	4	-	24 204
Other Current Assets	5	318	11
<b>Total Current Assets</b>		<b>322</b>	<b>24 275</b>
<b>Total Assets</b>		<b>16 21 473</b>	<b>11 11 395</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	6	125	125
Other Equity	7	16 21 344	10 86 999
<b>Total Equity</b>		<b>16 21 469</b>	<b>10 87 124</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	8	-	24 226
Trade Payables Due to:	9		
Micro and Small Enterprise		-	-
Other than Micro and Small Enterprise		1	36
Other Current Liabilities	10	4	9
<b>Total Current Liabilities</b>		<b>4</b>	<b>24 271</b>
<b>Total Liabilities</b>		<b>4</b>	<b>24 271</b>
<b>Total Equity and Liabilities</b>		<b>16 21 473</b>	<b>11 11 395</b>
Significant Accounting Policies			
See accompanying Notes to the Financial Statements			

As per our Report of even date

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020

For and on behalf of the Board

**S Sudhakar**  
Chairman

**N Shanker**  
Director

**Ashwin Khasgiwala**  
Director

**Dhirendra Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Samir Thacker**  
Chief Financial Officer

**Ashoo Mote**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	2019-20	2018-19
₹ in lakhs			
<b>INCOME</b>			
<b>REVENUE FROM OPERATION</b>			
Sale of Products	11	-	36
Other Income	12	3 382	35
<b>Total Income</b>		<b>3 382</b>	<b>71</b>
<b>EXPENSES</b>			
Purchase of Stock-in-Trade		-	36
Finance Cost	13	2 991	47
Other Expenses	14	84	97
<b>Total Expenses</b>		<b>3 075</b>	<b>180</b>
Profit / (Loss) Before Tax		307	( 109)
<b>Tax Expenses</b>			
Current Tax		41	-
<b>Profit / (Loss) for the Year</b>		<b>266</b>	<b>( 109)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>266</b>	<b>( 109)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)	15	21.27	(8.73)
Diluted (in ₹)	15	0.59	(8.73)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements		1 to 24	

As per our Report of even date

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020

For and on behalf of the Board

**S Sudhakar**  
Chairman

**N Shanker**  
Director

**Ashwin Khasgiwala**  
Director

**Dhirendra Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Samir Thacker**  
Chief Financial Officer

**Ashoo Mote**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A. EQUITY SHARE CAPITAL

₹ in lakhs

Balance as at 1st April, 2018	Change during the year 2018-19	Balance as at 31st March, 2019	Change during the year 2019-20	Balance as at 31st March, 2020
125	-	125	-	125

### B. OTHER EQUITY

₹ in lakhs

	Instruments classified as Equity	Reserves and Surplus			Total
		Capital Reserve	Securities Premium	Retained Earnings	
<b>As at 31st March, 2019</b>					
Balance at beginning of reporting period	3 670	37 285	10 46 413	(211)	10 87 157
Optionally Convertible Preference Shares	1				1
Unsecured Zero Coupon Optionally Convertible Loan repaid	(130)	-	-	-	(130)
Unsecured Zero Coupon Optionally Convertible Loan taken	80	-	-	-	80
Total Comprehensive Income for the year	-	-	-	(109)	(109)
Balance at the end of the reporting period	<b>3 621</b>	<b>37 285</b>	<b>10 46 413</b>	<b>(320)</b>	<b>10 86 999</b>
<b>As at 31st March, 2020</b>					
Balance at beginning of reporting period	3 621	37 285	10 46 413	(320)	10 86 999
Optionally Convertible Preference Shares	1 842	-	5 32 238	-	5 34 079
Total Comprehensive Income for the year	-	-	-	266	266
Balance at the end of the reporting period	<b>5 462</b>	<b>37 285</b>	<b>15 78 651</b>	<b>(54)</b>	<b>16 21 344</b>

As per our Report of even date

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020

For and on behalf of the Board

**S Sudhakar**  
Chairman

**N Shanker**  
Director

**Ashwin Khasgiwala**  
Director

**Dhirendra Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Samir Thacker**  
Chief Financial Officer

**Ashoo Mote**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	2019-20	₹ in lakhs 2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Tax as per Statement of Profit and Loss	307	( 109)
<b>Adjusted for :</b>		
Interest Income	( 2 292)	( 35)
Interest paid	2 991	47
<b>Operating Profit (Loss) before Working Capital Changes</b>	<b>1 006</b>	<b>( 97)</b>
<b>Adjusted for :</b>		
Trade and Other Receivables	13	( 16)
Trade and Other Payables	( 1 231)	32
<b>Cash used in Operations</b>	<b>( 212)</b>	<b>( 81)</b>
Taxes Paid(Net)	( 348)	-
<b>Net Cash Flow used in Operating Activities</b>	<b>( 561)</b>	<b>( 81)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in subsidiary	( 5 09 828)	-
Interest Income	2 292	35
Loan given to subsidiary	-	( 24 204)
<b>Net Cash Flow used in Investing Activities</b>	<b>( 5 07 536)</b>	<b>( 24 169)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Zero Coupon Optionally Convertible Loan	-	80
Repayment of Zero Coupon Optionally Convertible Loan	-	( 130)
Proceeds from Optionally Convertible Preference Shares	5 34 079	162
Proceeds from/ (Repayment) of current borrowing (Net)	( 24 226)	24 226
Interest paid	( 1 800)	( 47)
<b>Net Cash Flow from Financing Activities</b>	<b>5 08 053</b>	<b>24 291</b>
<b>Net (Decrease) /Increase in Cash and Cash Equivalents</b>	<b>( 43)</b>	<b>41</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>47</b>	<b>6</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 2)</b>	<b>4</b>	<b>47</b>

### Changes liability arising from financing activities

	₹ in lakhs		
	1st April 2019	Cash flows	31st March 2020
Borrowing - Current (Refer note no 8)	24 226	( 24 226)	-
	1st April 2018	Cash flows	31st March 2019
Borrowing - Current (Refer note no 8)	-	24 226	24 226

As per our Report of even date

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020

For and on behalf of the Board

**S Sudhakar**  
Chairman

**N Shanker**  
Director

**Ashwin Khasgiwala**  
Director

**Dhirendra Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Samir Thacker**  
Chief Financial Officer

**Ashoo Mote**  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### A. CORPORATE INFORMATION

Reliance Energy Generation and Distribution Limited [‘the company’] is an unlisted entity incorporated in India. The registered office of the Company is located at 4th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400002. The Company is mainly engaged in the business of Wholesale Trading of Goods and Investment in shares & securities.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### B.1 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which have been measured at fair value amount.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Company’s financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest lakhs (₹ ‘00,000), except when otherwise indicated. Amount in zero(0) represent amount below ₹ 50000.

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### (b) Finance Cost

All borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

##### (c) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of Inventories are determined on weighted average basis.

##### (d) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (e) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

#### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### (f) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration

### (g) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically control the goods or services before transferring them to the customer.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period

### Interest income

Interest income from a financial asset is recognised using effective interest rate method.

### Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

## (h) Financial instruments

### i) Financial Assets

#### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

#### B. Subsequent measurement

##### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### C. Investment in Subsidiaries

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost less impairments loss (if any).

#### D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### ii) Financial liabilities

#### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit or Loss as finance cost.

#### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

#### (a) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### (b) Provisions

The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### (c) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs			
	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
<b>1. INVESTMENTS - NON-CURRENT</b>				
<b>Investments measured at Cost</b>				
<b>In Common Stock of Subsidiary</b>				
<b>Unquoted, fully paid up</b>				
Reliance Holding USA, Inc of US\$ 10,000 each	175,405	10 87 120	175,405	10 87 120
<b>In Preference shares of Subsidiary</b>				
<b>Unquoted, fully paid up</b>				
Reliance Holding USA, Inc	75,228	5 34 032	-	-
<b>Total of Investments measured at Cost</b>		<u>16 21 151</u>		<u>10 87 120</u>
<b>Total Investments - Non-Current</b>		<u>16 21 151</u>		<u>10 87 120</u>
Aggregate amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate amount of Unquoted Investments		16 21 151		10 87 120
		As at 31st March, 2020		As at 31st March, 2019
<b>1.1 Category-wise Non current investment</b>				
<b>Financial assets measured at Cost</b>				
In Equity Shares of Subsidiary Company		10 87 120		10 87 120
In Preference Shares of Subsidiary Company		534,032		-
		<u>16 21 151</u>		<u>10 87 120</u>
		As at 31st March, 2020		As at 31st March, 2019
<b>2. TRADE RECEIVABLES</b> (Unsecured and Considered Good)				
Trade Receivables		-		13
<b>Total</b>		-		13
		As at 31st March, 2020		As at 31st March, 2019
<b>3. CASH AND CASH EQUIVALENTS</b>				
Balances with bank		4		47
<b>Cash and Cash Equivalents as per Balance Sheet</b>		<u>4</u>		<u>47</u>
<b>Cash and Cash Equivalents as per Cash Flow Statement</b>		<u>4</u>		<u>47</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>4. LOAN</b>		
Loan & Advance to related party.	-	24 204
<b>Total</b>	<b>-</b>	<b>24 204</b>

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>5. OTHER CURRENT ASSETS</b> (Unsecured and Considered Good)		
Advance Income Tax (Net of provision)	312	5
Balance with Statutory Authorities	6	6
Other Current Assets	0	0
<b>Total</b>	<b>318</b>	<b>11</b>

	₹ in lakhs			
	As at 31st March, 2020		As at 31st March, 2019	
	Units	Amount	Units	Amount
<b>6. SHARE CAPITAL</b>				
<b>AUTHORISED SHARE CAPITAL</b>				
Equity Shares of ₹ 10 each	1,250,000	125	1,250,000	125
Preference Shares of ₹ 10 each	60,500,000	6 050	40,000,000	4 000
<b>Total</b>		<b>6 175</b>		<b>4 125</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of ₹ 10 each fully paid up	1,250,000	125	1,250,000	125
<b>Total</b>		<b>125</b>		<b>125</b>

### 6.1 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
<b>Holding Company : Equity Shares</b>				
Reliance Industries Limited	1,250,000	100.00	1,250,000	100.00

### 6.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

Particulars	As at 31st March, 2020	As at 31st March, 2019
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	1,250,000	1,250,000
Add :Equity Shares issued during the year	-	-
<b>Equity Shares at the end of the year</b>	<b>1,250,000</b>	<b>1,250,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 6.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES:

The Equity Shareholder is entitled for one vote per share held. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amount, in proportion to the number of equity shares held.

	As at		As at	
	31st March, 2020		31st March, 2019	
	₹ in lakhs			
<b>7. OTHER EQUITY</b>				
<b><u>Instruments classified as Equity</u></b>				
<b>6% Non-Cumulative Optionally Convertible Preference Shares</b>				
As per last Balance Sheet	3 621		3 620	
Add: Issued during the year	<u>1 842</u>	<b>5 462</b>	<u>1</u>	<b>3 621</b>
<b><u>Reserves and Surplus</u></b>				
<b>Capital Reserve</b>				
As per last Balance Sheet		<b>37 285</b>		<b>37 285</b>
<b>Securities Premium</b>				
As per last Balance Sheet	10 46 413		10 46 252	
Add: Issued during the year	<u>5 32 238</u>	<b>15 78 651</b>	<u>162</u>	<b>10 46 413</b>
<b>Retained Earnings</b>				
As per last Balance Sheet	( 320)		( 211)	
Profit/(Loss) for the year	<u>266</u>		<u>( 109)</u>	
		<b>( 54)</b>		<b>( 320)</b>
<b>Total</b>		<b><u>16 21 344</u></b>		<b><u>10 86 999</u></b>

7.1 The 6% Non-Cumulative Optionally Convertible Preference Shares (OCPS) issued to Reliance Industries Limited (the holding Company) is convertible into one equity share of ₹ 10/- each at a premium of ₹ 2,890/- per share at any time at the option of the Company, but not later than twenty years from respective dates of allotment each OCPS, if not opted for conversion, shall be redeemable at ₹ 10 and a premium of ₹ 2,890 at any time at the option of the Company, but not later than 20 years from the date of allotment.

### 7.2 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

Name of the Shareholder	As at		As at	
	31st March, 2020		31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
<b>Holding Company : Preference Shares</b>				
Reliance Industries Limited	54,624,604	100.00	36,208,075	100.00

### 7.3 THE RECONCILIATION OF THE NUMBER OF OUTSTANDING IS SET OUT BELOW:

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
	Preference (Nos.)		Preference (Nos.)	
At the beginning of the year		36,208,075		36,202,475
Add : issued during the year		18,416,529		5,600
<b>At the end of the year</b>		<b>54,624,604</b>		<b>36,208,075</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 7.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES:

All the Preference Shares shall carry a preferential right over the equity shares of the company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>8. CURRENT BORROWINGS</b>		
Unsecured -At Amortised Cost	-	24 226
<b>Total</b>	<u>-</u>	<u>24 226</u>

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>9. TRADE PAYABLES DUE TO</b>		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	1	36
<b>Total</b>	<u>1</u>	<u>36</u>

9.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>10. OTHER CURRENT LIABILITIES</b>		
Other Payables *	4	9
<b>Total</b>	<u>4</u>	<u>9</u>

\* Includes Statutory Dues.

	₹ in lakhs	
	2019-20	2018-19
<b>11. SALE OF PRODUCTS</b>		
Sale of Fabrics	-	38
Less : GST recovered	-	(2)
<b>Total</b>	<u>-</u>	<u>36</u>

	₹ in lakhs	
	2019-20	2018-19
<b>12. OTHER INCOME</b>		
Interest		
From Others	2 292	35
Other Non Operating Income	1 072	-
Exchange Gain/Loss(Net)	19	-
<b>Total</b>	<u>3 382</u>	<u>35</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	₹ in lakhs	
	2019-20	2018-19
<b>13. FINANCE COST</b>		
Interest Expenses	2 991	47
<b>Total</b>	<b>2 991</b>	<b>47</b>
		₹ in lakhs
	2019-20	2018-19
<b>14. OTHER EXPENSES</b>		
<b>Establishment Expenses</b>		
Professional Fees	41	53
Exchange Gain/Loss(Net)	-	19
General Expenses	8	14
Rates & Taxes	20	0
Directors Sitting Fees	15	10
Payment to Auditors	1	1
<b>Total</b>	<b>84</b>	<b>97</b>
		₹ in lakhs
	2019-20	2018-19
<b>14.1 Payment to Auditors as:</b>		
Statutory Audit fees*	1	0
Tax Audit fees*	0	-
Certification fees #	0	0
	<b>1</b>	<b>1</b>
*Excluding taxes		
# Certification fees includes certification fees paid to auditors towards certification of XBRL filings.		
		₹ in lakhs
	2019-20	2018-19
<b>15. EARNINGS PER SHARE (EPS)</b>		
Face Value per Equity Share (₹)	10	10
<b>Basic Earnings per share (₹)</b>	21.27	( 8.73)
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	2 65 93 658	(1 09 12 330)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	12 50 000	12 50 000
<b>Diluted Earnings per share (₹)*</b>	0.59	( 8.73)
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	2 65 93 658	(1 09 12 330)
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	4 50 12 029	3 74 52 521
<b>Reconciliation of weighted average number of shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	12 50 000	12 50 000
Effect Dilution :		
Optionally Convertible Debentures	-	-
Optionally Convertible Preference Shares	4 37 56 429	3 62 02 521
Optionally Convertible Loans	5 600	-
Total Weighted Average Potential Equity Shares	4 37 62 029	3 62 02 521
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	4 50 12 029	3 74 52 521
* Diluted earnings per share is same as basic earnings per share, since the potential equity share are anti dilutive.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

16. The Income-Tax assessments u/s 143(1) of the Company have been completed up to Assessment Year 2017-18. The disputed demand outstanding up to the said Assessment Year is ₹ Nil. The company has no Contingent Liabilities and Commitments during the period.

### 17. RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

- i) **List of Related Parties where control exists and also Related Parties with whom transactions have taken place and relationships:**

1	Reliance Industries Limited	Holding company
2	Reliance Holding USA Inc	
3	Reliance Marcellus II LLC	
4	Reliance Marcellus LLC	
5	Reliance Eagleford Upstream LLC	
6	Reliance Eagleford Upstream GP LLC	Subsidiaries
7	Reliance Eagleford Upstream Holding LP	
8	Affinity Names Inc.	
9	Aurora Algae Inc	
10	RIL USA Inc.	
11	Reliance Projects & Property Management Services Limited	
12	Reliance Corporate I T Park Limited	Fellow Subsidiaries
13	Reliance Strategic Investments Limited	
14	Mr. Jitendra Gaonkar (w.e.f. 17.04.2017)	
15	Mr. Samir Thacker (w.e.f. 16.01.2019)	Key Managerial Personnel
16	Mr. Ashoo Mote (w.e.f. 16.01.2019)	

- ii) **Transactions during the year with Related Parties :** ₹ in lakhs

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Total
1	Optionally Convertible Preference Shares	5 34 079	-	-	-	5 34 079
		162	-	-	-	162
2	ZCOC Loans taken/ (repaid)	-	-	-	-	-
		-	-	( 50)	-	( 50)
3	Current Borrowings(Net)	( 24 226)	-	-	-	( 24 226)
		24 226	-	-	-	24 226
4	Loan given(Net)	-	( 24 204)	-	-	( 24 204)
		-	24 204	-	-	24 204
5	Investment in OCPS	-	5 34 032	-	-	5 34 032
		-	-	-	-	-
6	Interest Income	-	2 292	-	-	2 292
		-	35	-	-	35

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Total
7	Purchases	-	-	-	-	-
		<i>36</i>	-	-	-	<i>36</i>
8	Interest Paid	2 991	-	-	-	2 991
		<i>47</i>	-	-	-	<i>47</i>
9	Professional Fees	8	-	-	-	8
		<i>11</i>	-	-	-	<i>11</i>
10	Payment to Key Managerial Personnel	-	-	-	31	31
		-	-	-	<i>42</i>	<i>42</i>
<b>Balance as at 31st March, 2020</b>						₹ in lakhs
1	Investment in equity	-	10 87 120	-	-	10 87 120
		-	<i>10 87 120</i>	-	-	<i>10 87 120</i>
2	Investment in OCPS	-	5 34 032	-	5 34 032	
		-	-	-	-	-
3	Loan	-	-	-	-	-
		-	<i>24 204</i>	-	<i>24 204</i>	
4	Optionally Convertible Preference Shares	15 84 114	15 84 114			
		<i>10 50 034</i>	<i>10 50 034</i>			
5	Current Borrowings	-	-	-	-	-
		<i>24 226</i>	-	-	-	<i>24 226</i>
6	Trade Payable	-	-	-	-	-
		<i>36</i>	-	-	-	<i>36</i>

Note : Figures in Italic represents previous year's amount.

### iii) Disclosure in Respect of Major Related Party Transactions during the year: ₹ in lakhs

Sr No.	Particulars	Relationship	2019-20	2018-19
1	Optionally Convertible Preference Shares			
	Reliance Industries Limited	Holding Company	5 34 079	162
2	ZCOC Loans taken/ (repaid)			
	Reliance Strategic Investments Limited	Fellow Subsidiary	-	( 50)
3	Current Borrowing(Net)			
	Reliance Industries Limited	Holding Company	( 24 226)	24 226
4	Loan given(Net)			
	Reliance Holding USA Inc	Subsidiary	( 24 204)	24 204
5	Investment in OCPS			
	Reliance Holding USA Inc	Subsidiary	5 34 032	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Sr No.	Particulars	Relationship	2019-20	2018-19
6	Interest Income			
	Reliance Holding USA Inc	Subsidiary	2 292	35
7	Purchases			
	Reliance Industries Limited	Holding Company	-	36
8	Interest Expenses			
	Reliance Industries Limited	Holding Company	2 991	47
9	Professional Fees			
	Reliance Industries Limited	Holding Company	8.01	11
10	Payment to Key Managerial Personnel		31	42

**Note :** Professional fees towards key managerial personnel payments reimbursed to Reliance Industries Limited, Reliance Corporate IT Park Limited and Reliance Projects & Property Management Services Limited.

### 18. SEGMENT INFORMATION

The Company operating segments are established on the basis of those components which are evaluated regularly by the Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of activities and the differing risks and returns. The Company has two principal operating and reporting segments; viz. Finance & Investments and Trading as follows:

- The Finance and Investment segment, which comprises of loans, investments and borrowings of the Company.
- The Trading segment, denotes wholesale trading of Fabrics undertaken by the company
- No operating segments have been aggregated to form the above reportable operating segments.
- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

₹ in lakhs

#### Year ended 31st March, 2020

Sr No.	Particulars	Finance & Investments	Trading	Unallocable	Total
1	<b>Segment Revenue</b>				
	External Turnover	2,292	-	1,091	3,382
	<b>Total Revenue</b>	<b>2,292</b>	<b>-</b>	<b>1,091</b>	<b>3,382</b>
2	<b>Income / (expenses)</b>				
	Expenses	2,991	-	84	3,075
3	<b>Segment Profit</b>	<b>(699)</b>	<b>-</b>	<b>1,006</b>	<b>307</b>
	<b>Less : Current tax</b>	<b>41</b>	<b>41</b>		
	<b>Less : Deferred tax</b>	<b>-</b>	<b>-</b>		
	<b>Profit after tax</b>	<b>(699)</b>	<b>-</b>	<b>965</b>	<b>266</b>
4	<b>Total Assets</b>	<b>1,621,151</b>	<b>-</b>	<b>322</b>	<b>1,621,473</b>
5	<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>
6	<b>Other disclosures</b>				
	Capital Expenditure	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

₹ in lakhs

Year ended 31st March, 2019					
Sr. No.	Particulars	Finance & Investments	Trading	Unallocable	Total
1	<b>Segment Revenue</b>				
	External Turnover	-	36	-	36
	<b>Total Revenue</b>	-	<b>36</b>	-	<b>36</b>
2	<b>Income / (expenses)</b>				
	Depreciation and amortisation	-	-	-	-
3	<b>Segment Profit</b>	-	0	(109)	(109)
	<b>Less : Current tax</b>	-	-	-	-
	<b>Less : Deferred tax</b>	-	-	-	-
	<b>Profit after tax</b>	-	<b>0</b>	<b>(109)</b>	<b>(109)</b>
4	<b>Total Assets</b>	<b>10 87 120</b>	<b>13</b>	<b>24 262</b>	<b>11 11 395</b>
5	<b>Total Liabilities</b>	-	-	<b>24 271</b>	<b>24 271</b>
6	<b>Other disclosures</b>				
	Capital Expenditure	-	-	-	-

₹ in lakhs

Geographical Segment Information			
	Within India	Outside India	Total
<b>Year ended 31st March, 2020</b>			
Segment Revenue - External Turnover	3 382	-	<b>3 382</b>
Segment Assets	322	16 21 151	<b>16 21 473</b>
Segment Liabilities	4	-	<b>4</b>
Capital Expenditure	-	-	-
<b>Year ended 31st March, 2019</b>			
Segment Revenue - External Turnover	36	-	<b>36</b>
Segment Assets	71	11 11 324	<b>11 11 395</b>
Segment Liabilities	24 271	-	<b>24 271</b>
Capital Expenditure	-	-	-
<b>Reconciliations to amounts reflected in the financial statements</b>			
₹ in lakhs			
<b>Reconciliation of profit</b>		<b>2019-20</b>	<b>2018-19</b>
Segment profit		307	(109)
Profit / (Loss) Before Tax		<b>307</b>	<b>(109)</b>
<b>Reconciliation of assets</b>		<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Segment operating assets		16 21 473	11 11 395
Total assets		<b>16 21 473</b>	<b>11 11 395</b>
Segment operating liabilities		4	24 271
Total liabilities		<b>4</b>	<b>24 271</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 19. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

### 20. FINANCIAL INSTRUMENTS

#### Valuation

All financial instruments are measured at amortised cost as described below:

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair value measurement hierarchy:

Particulars	₹ in lakhs							
	Carrying amount	As at 31st March, 2020 Level of Input used in			Carrying amount	As at 31st March, 2019 Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Trade Receivable	-	-	-	-	13	-	-	-
Cash and Cash Equivalents	4	-	-	-	47	-	-	-
<b>At FVTOCI</b>								
Loan	-	-	-	-	24 204	-	-	-
<b>Financial Liabilities</b>								
<b>At Amortised Cost</b>								
Borrowings	-	-	-	-	24 226	-	-	-
Trade Payables	1	-	-	-	36	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

#### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

#### Liquidity Risk

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments. Prudent liquidity risk management implies maintaining sufficient cash / marketable securities and matching maturity profiles of financial assets and financial liabilities.

Management monitors rolling forecasts of the company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 21. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Investments made is given under the said head.

No Loans and Guarantees are given by the Company as at 31st March, 2020 (Previous year NIL)

22. The Figures of the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

23. The Board of Directors at its meeting held on 19th July, 2019 has approved the Scheme of Amalgamation of Reliance Holding USA Inc ( R USA ), Company with Reliance Industries Ltd (The Scheme) , which inter-alia provides for merger of RUSA with the Company and merger of the Company with Reliance Industries Ltd under Section 230 to 232 read with Section 234 and other applicable provisions of Companies Act, 2013 and Section 18-209 of the Delaware Limited Liability Company Act .

### 24. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on April 22, 2020

As per our Report of even date

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : 22 April, 2020

For and on behalf of the Board

**S Sudhakar**  
Chairman

**N Shanker**  
Director

**Ashwin Khasgiwala**  
Director

**Dhirendra Shah**  
Director

**Jagmohanlal Bhamri**  
Director

**Samir Thacker**  
Chief Financial Officer

**Ashoo Mote**  
Company Secretary