

FINANCIAL STATEMENT
2014-15

RELIANCE CLEANGEN LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance CleanGen Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Reliance CleanGen Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as 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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position of the Company as at March 31, 2015.
 - 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, 2015.
 - 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, 2015.

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

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: May 26, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Reliance CleanGen Limited on the financial statements as of and for the year ended March 31, 2015

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- (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 discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (ii) The Company does not have any inventory. Therefore the provisions of clause 3 (ii) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) (a) and (iii) (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. During the year, the Company did not undertake any activity of purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, and rules framed there under are not applicable. 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 Court or any other Tribunal for whether the same has been complied with or not.
- (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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in few cases with respect to tax deducted at source. There are no outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax or cess which has not been deposited on account of any dispute.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Reliance CleanGen Limited on the financial statements as of and for the year ended March 31, 2015

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- (c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder.
- (viii) The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2015. The Company has incurred cash losses in the financial year ended on that date, as well as in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, there are no dues to financial institutions, banks and debentures holders. Hence, question of default in repayment does not arise.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, no term loans have been raised by the Company during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 26, 2015

Reliance CleanGen Limited
Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Equity and Liabilities			
Shareholders' funds			
Share capital	3.1	259,506,010	259,506,010
Reserves and surplus	3.2	24,087,804,037	24,178,717,234
Current liabilities			
Short-term borrowings	3.3	1,437,438,000	1,180,038,000
Other current liabilities	3.4	2,150,716	1,536,347
Total		25,786,898,763	25,619,797,591
Assets			
Non-current assets			
Fixed assets			
Tangible assets	3.5	337,079	342,638
Non-current investments	3.6	24,224,475,000	24,224,475,000
Long-term loans and advances	3.7	13,092,742	288,196
Other non-current assets	3.8	1,750,000	1,750,000
Current assets			
Trade receivables	3.9	243,000	-
Cash and bank balances	3.10	7,050,336	3,489,300
Short-term loans and advances	3.11	1,539,869,198	1,387,120,000
Other current assets	3.12	81,408	2,332,457
Total		25,786,898,763	25,619,797,591

The notes are an integral part of these financial statements.

Reliance CleanGen Limited

As per our attached report of even date

For Chaturvedi and Shah

Chartered Accountants

Firm Registration No: 101720W

Vijay Napawalia

Partner

Membership No.: 109859

Place: Mumbai

Date: May 26, 2015

For and on behalf of the Board of Directors

Rachakonda Ramana Venkata

Director

DIN: 07014032

Ponnada Venkata Rao

Director

DIN: 01503467

Saurabh Garg

Chief Financial Officer

Suresh Nagarajan

Company Secretary

Place: Mumbai

Date: May 26, 2015

Reliance CleanGen Limited
Statement of Profit and Loss for the year ended March, 31, 2015

Particulars	Note	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
Revenue :			
Revenue from operations	3.13	270,000	270,000
Other income	3.14	188,899	257,851
Total revenue		458,899	527,851
Expenses:			
Finance cost	3.15	79,935,672	37,482,215
Depreciation	3.5	5,559	7,052
Other expenses	3.16	11,373,358	367,718
Total expenses		91,314,589	37,856,985
Loss before tax		(90,855,690)	(37,329,134)
Tax expense			
Current tax		-	-
Income tax for earlier years		57,508	49,785
Loss for the year		(90,913,198)	(37,378,919)
Earnings per equity share: (Face value of Rs. 10 each) Basic and Diluted (Rupees) (Refer Note 7)		(7.87)	(3.24)

The notes are an integral part of these financial statements.

Reliance CleanGen Limited

As per our attached report of even date

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

For and on behalf of the Board of Directors

Vijay Napawalia
Partner
Membership No.: 109859

Rachakonda Ramana Venkata
Director
DIN: 07014032

Place: Mumbai
Date: May 26, 2015

Ponnada Venkata Rao
Director
DIN: 01503467

Saurabh Garg
Chief Financial Officer

Suresh Nagarajan
Company Secretary

Place: Mumbai
Date: May 26, 2015

Reliance CleanGen Limited
Cash Flow Statement for the year ended March 31, 2015

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
(A) Cash Flow from/(used in) Operating Activities		
Net Profit/(Loss) before tax	(90,855,690)	(37,329,134)
Adjusted for:		
Dividend Income	-	(96,732)
Interest on Deposits	(160,388)	(160,388)
Depreciation	5,559	7,052
Finance Cost	79,935,672	37,482,215
Gain on sale of current investments	-	(301)
Operating Profit/(Loss) before working capital changes	(11,074,847)	(97,288)
Adjustments for:		
loans and advances	(131,266,696)	(81,342,365)
Trade Receivables	(243,000)	225,000
Other Current liabilities	614,369	1,311,626
	(141,970,174)	(79,903,027)
Taxes paid (net of refunds)	(12,862,054)	(96,411)
Net Cash from / (used in) Operating Activities	(154,832,228)	(79,999,438)
(B) Cash Flow from/(used in) Investing Activities		
Investment in Preference Shares of Subsidiaries	-	(5,025,000)
Proceeds from sale of Equity Shares of Associates	-	50,301
Sale of Investment in Subsidiaries	-	518,460,000
Inter-Corporate Deposit given to related parties	(24,125,000)	(4,114,762,000)
Refund of Inter-Corporate Deposit given to related parties	4,900,000	4,114,762,000
Dividend Income	-	96,732
Interest on Deposits	153,935	248,252
Net Cash from/ (used in) Investing Activities	(19,071,066)	513,830,285
(C) Cash flow from/ (used in) Financing Activities		
Proceeds from short term borrowings	9,500,000,000	5,300,000,000
Repayment of short term borrowings	(9,500,000,000)	(5,300,000,000)
Proceeds from Inter-Corporate Deposits	7,547,032,000	1,180,038,000
Repayment of Inter-Corporate Deposits	(7,289,632,000)	(200,000,000)
Finance Cost	(79,935,672)	(37,482,215)
Refund of Share Application Money	-	(1,466,738,000)
Proceeds from share application money	-	79,000,000
Net Cash from/ (used in) Financing Activities	177,464,328	(445,182,215)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	3,561,036	(11,351,368)
Cash and Cash equivalents at the beginning of the year:		
Bank Balance - Current Account	3,489,300	14,840,668
Cash and Cash equivalents at the end of the year:		
Bank Balance - Current Account	7,050,336	3,489,300

Previous year figures have been regrouped and recast wherever necessary to make them comparable to those for current year.

Reliance CleanGen Limited

As per our attached report of even date

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

For and on behalf of the Board of Directors

Vijay Napawalia
Partner
Membership No.: 109859

Rachakonda Ramana Venkata
Director
DIN: 07014032

Place: Mumbai
Date: May 26, 2015

Ponnada Venkata Rao
Director
DIN: 01603467

Saurabh Garg
Chief Financial Officer

Suresh Nagarajan
Company Secretary

Place: Mumbai
Date: May 26, 2015

1 General Information

Reliance CleanGen Limited ("the Company") is a subsidiary of Reliance Power Limited and has been incorporated under provisions of Companies Act, 1956, inter alia, for generation of power from conventional and non - conventional sources.

2 Significant accounting policies

a) Basis of Preparation

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the relevant provisions of the Companies Act, 2013 (The "Act") and the Accounting Standards notified under the Act. The Financial Statements are prepared on accrual basis under the historical cost convention and are presented in Indian Rupees round off to the nearest rupee.

b) Use of Estimates:

The preparation and presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on the date of the Financial Statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

c) Tangible Assets and Capital Work-in-Progress:

Tangible assets are stated at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to an item of Tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standards of performance.

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

d) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustment arising from exchange rate variation attributable to the intangible assets.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under Capital Work-in-Progress.

e) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

f) Depreciation / Amortization:

Tangible assets:

Tangible assets are depreciated on pro rata basis as per useful life on the Straight Line Method (SLM) as prescribed in part C of Schedule II to the Companies Act, 2013.

g) Investments:

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined of value of long-term investments and made for each investment individually. Current investments are valued at lower of cost and fair value.

h) Provisions, Contingent Liabilities and Contingent Assets

Provisions:

Provisions are recognised when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation.

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 or 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.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made as specified in Accounting standard 29 – "Provisions, Contingent Liability and Contingent Assets".

Contingent Assets:

A contingent asset is neither recognised nor disclosed in the Financial Statements.

i) Revenue recognition:

Revenue is recognised when it is reasonably certain that the ultimate collection will be made. Service income represents income from support services recognised as per the terms with the respective parties.

j) Accounting for taxes on income:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

k) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) 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.

m) Earnings per share:

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year after deducting preference share dividend and attributable tax for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.1 Share capital		
Authorised share capital		
15,000,000 (Previous year: 15,000,000) equity shares of Rs.10 each	150,000,000	150,000,000
15,000,000 (Previous year: 15,000,000) preference shares of Rs.10 each	150,000,000	150,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and fully paid up capital		
11,550,000 (Previous year: 11,550,000) equity shares of Rs.10 each fully paid up	115,500,000	115,500,000
1,500,601 (Previous year - 1,500,601) 6% preference shares of Rs.10 each fully paid up. [Refer Note 3.1.2 (b) (i)]	15,006,010	15,006,010
12,900,000 (Previous year - 12,900,000) 7.5 % preference shares of Rs.10 each fully paid up. [Refer Note 3.1.2 (b) (ii)]	129,000,000	129,000,000
	<u>259,506,010</u>	<u>259,506,010</u>
3.1.1 Reconciliation of number of shares		
Equity Shares		
Balance at the beginning of the year - 11,550,000 (Previous year: 11,550,000) shares of Rs.10 each	115,500,000	115,500,000
Balance at the end of the year - 11,550,000 (Previous year: 11,550,000) shares of Rs.10 each	<u>115,500,000</u>	<u>115,500,000</u>
6% Preference shares [Refer Note 3.1.2 (b) (i)]		
Balance at the beginning of the year - 1,500,601 (Previous year: 1,500,601) shares of Rs. 10 each	15,006,010	15,006,010
Balance at the end of the year - 1,500,601 (Previous year: 1,500,601) shares of Rs. 10 each	<u>15,006,010</u>	<u>15,006,010</u>
7.5% Preference shares [Refer Note 3.1.2 (b) (ii)]		
Balance at the beginning of the year - 12,900,000 (Previous year: 12,900,000) shares of Rs. 10 each	129,000,000	129,000,000
Balance at the end of the year - 12,900,000 (Previous year: 12,900,000) shares of Rs.10 each	<u>129,000,000</u>	<u>129,000,000</u>

3.1.2 Terms/ rights attached to shares

a) 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.

b) Preference shares

- (i) **As on March 31, 2014 - 6% non-cumulative non-convertible redeemable preference shares (NCRPS)**
NCRPS have been issued at Rs.10 per share and have a maturity period of 5 years. The NCRPS shall be redeemed at issue price and shall not be listed. The company shall have the option to redeem the preference shares at any time after the end of 6 (six) months from the date of allotment. If the company exercises its call option, it will be liable to pay the amount of face value of the preference shares along with dividend declared and unpaid, if any, up to the date on which it exercises the call option ("Redemption Amount"). These shares are issued pursuant to the scheme of amalgamation for consideration other than cash.

As on March 31, 2015 - 6% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

"Pursuant to the special resolutions passed by the Preference Share Holders and the equity share holders on March 31, 2015, the Company has made modifications in the terms and conditions of NCRPS issued which are summarized below. Consequent to the modification/variations, NCRPS are termed now as 6% 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 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 per 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 6%. These preference shares shall continue to be non cumulative. These shares are issued pursuant to the scheme of amalgamation for consideration other than cash."

- (ii) **As on March 31, 2014 - 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)**

NCRPS have been issued at a premium of Rs. 990 per share and have a maturity period of 20 years and are redeemable after December 31, 2029 at the option of the issuer or the holder subject to the condition that they shall be redeemed within 20 years from the date(s) of allotment. The NCRPS shall be redeemed at issue price and shall not be listed.

As on March 31, 2015 - 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)

"Pursuant to the special resolutions passed by the Preference Share Holders and the equity share holders on March 31, 2015, the Company has made modifications in the terms and conditions of NCRPS issued which are summarized below. Consequent to the modification/variations, NCRPS are termed now as 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 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 per 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."

Reliance CleanGen Limited

Notes to financial statements as of and for the year ended March 31, 2015 (continued)

3.1.3 Shares held by holding company

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Equity shares		
Reliance Power Limited - 11,550,000 (Previous year: 11,550,000) equity shares of Rs.10 each fully paid up (Of the above, 11,549,994 (Previous year: 11,549,994) equity shares are being held by Reliance Power Limited, the Holding Company and 6 shares are jointly held by Reliance Power Limited and its nominees)	115,500,000	115,500,000
	<u>115,500,000</u>	<u>115,500,000</u>
7.5 % Preference shares [Refer Note 3.1.2 (b) (ii)]		
Reliance Power Limited 12,900,000 (Previous year: 12,900,000) preference shares of Rs.10 each fully paid up	129,000,000	129,000,000
	<u>129,000,000</u>	<u>129,000,000</u>

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

	Percentage of share holding	As at March 31, 2015 No. of Shares	As at March 31, 2014 No. of Shares
Equity shares			
Reliance Power Limited	100%	11,550,000	11,550,000
		<u>11,550,000</u>	<u>11,550,000</u>
7.5 % Preference shares [Refer Note 3.1.2 (b) (ii)]			
Reliance Power Limited	100%	12,900,000	12,900,000
		<u>12,900,000</u>	<u>12,900,000</u>
6% Preference shares [Refer Note 3.1.2 (b) (i)]			
Utkrisht Infotech Private Limited	99.67%	1,495,600	1,495,600
		<u>1,495,600</u>	<u>1,495,600</u>

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.2 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	24,156,000,000	24,156,000,000
Balance at the end of the year	<u>24,156,000,000</u>	<u>24,156,000,000</u>
General reserve (Arisen pursuant to scheme of amalgamation)	193,555,684	193,555,684
Balance at the end of the year	<u>193,555,684</u>	<u>193,555,684</u>
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(170,838,449)	(133,459,531)
Profit/(Loss) for the year	(90,913,198)	(37,378,919)
Balance at the end of the year	<u>(261,751,647)</u>	<u>(170,838,450)</u>
	<u>24,087,804,037</u>	<u>24,178,717,234</u>
3.3 Short-term borrowings		
Unsecured :		
Inter Corporate Deposits from related party (Refer Note 6) (Interest free deposits, repayable within one year)	1,437,438,000	1,180,038,000
	<u>1,437,438,000</u>	<u>1,180,038,000</u>
3.4 Other current liabilities		
Creditors for supplies and services (Refer Note 10)	102,360	89,888
Others (Including Tax Deducted at Source)	2,048,356	1,446,459
	<u>2,150,716</u>	<u>1,536,347</u>

Reliance CleanGen Limited
Notes to financial statements as of and for the year ended March 31, 2015 (continued)

3.5 Tangible assets

Particulars	Gross Block		Depreciation		Net Block	
	As at April 1, 2014	Additions during the year March 31, 2015	As at March 31, 2015	For the year March 31, 2015	Upto March 31, 2015	As at March 31, 2015
Building	432,541	-	432,541	5,559	95,462	337,079
Motor Vehicles	3,999,543	-	3,999,543	-	3,999,543	-
Total	4,432,084	-	4,432,084	5,559	4,095,005	337,079
Previous Year	4,432,084	-	4,432,084	7,052	4,089,446	342,638

Rupees

3.6 Non-current investments (Non Trade) ⁽³⁾

	Face Value	As at March 31, 2015		As at March 31, 2014	
		No. of Shares	Rupees	No. of Shares	Rupees
Equity Shares (Fully paid-up and Unquoted)					
In Subsidiary Companies ⁽⁴⁾					
Moher Power Limited ⁽⁵⁾	10	50,000	500,000	50,000	500,000
Samalkot Power Limited ⁽¹⁾	10	9,009,400	8,959,900,000	9,009,400	8,959,900,000
Reliance Solar Resources Private Limited	10	10,000	100,000	10,000	100,000
Reliance Wind Power Private Limited	10	10,000	100,000	10,000	100,000
Reliance Green Power Private Limited	10	25,745	15,845,000	25,745	15,845,000
In Other Companies ⁽²⁾					
Hirma Power Limited (Net of Provision for diminution in value of investment Rs. 16,943 (Previous year : Rs. 16,943))	10	169,429	-	169,429	-
Jayamkondam Power Limited (Net of Provision for diminution in value of investment Rs. 20,009 (Previous year : Rs. 20,009))	10	20,009	-	20,009	-
Reliance Thermal Energy Power Limited (Net of Provision for diminution in value of investment Rs. 2,002 (Previous year : Rs. 2,002))	10	20,015	-	20,015	-
Preference Shares (Fully paid-up and Unquoted)					
In Subsidiary Companies ⁽⁴⁾					
7.5 % preference shares ⁽⁶⁾					
Samalkot Power Limited ⁽¹⁾	10	15,009,400	15,009,400,000	15,009,400	15,009,400,000
Moher Power Limited ⁽⁵⁾	1	2,625	2,625,000	2,625	2,625,000
Reliance Wind Power Private Limited	1	4,300	4,300,000	4,300	4,300,000
Reliance Green Power Private Limited	1	231,705	231,705,000	231,705	231,705,000
			24,224,475,000		24,224,475,000
Aggregate book value of Unquoted Non Current Investments			24,224,475,000		24,224,475,000

(1) Shares Pledged to IDBI Trusteeship Services Limited for financial assistance in the form of rupee loans and US dollar loans from Export -Import Bank of United States availed by Samalkot Power Limited.

The Company is in the process of pledging 25,09,400 equity shares and 14,35,900 preference shares.

(2) Aggregate provision for diminution in value of investments Rs. 38,954 (Previous year : Rs. 38,954)

(3) The investments above are at cost less provision for diminution in value of investment, wherever applicable.

(4) The above subsidiary companies are wholly owned by the Company except Samalkot Power Limited.

(5) Formerly known as Bharuch Power Limited

(6) 7.5 % Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS).

(Previous year known as 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCR

During the year, the terms and conditions of the investment made in preference shares have been modified wherein the issuer companies shall have a call option on the CCRPS which can be exercised by them 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, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the issuer Companies or the CCRPS holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the Issuer companies declare dividend on their equity shares, the CCRPS holders will also be entitled to the equity dividend in addition to the coupon rate of dividend.

Reliance CleanGen Limited
Notes to financial statements as of and for the year ended March 31, 2015 (continued)

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
3.7 Long-term loans and advances (Unsecured and considered good unless stated otherwise)		
Advance income tax and tax deducted at source (Net of provision for taxes: Rs. 275,741 (Previous Year: Rs. 2,408,575))	13,092,742	288,196
	<u>13,092,742</u>	<u>288,196</u>
3.8 Other non-current assets		
Non-current bank balances		
Fixed Deposits with original maturity of more than 12 months (Under lien with Executive Engineer, Raigad)	1,750,000	1,750,000
	<u>1,750,000</u>	<u>1,750,000</u>
3.9 Trade receivables (Unsecured and considered good) Others (Refer Note 6)	243,000	-
	<u>243,000</u>	<u>-</u>
3.10 Cash and bank balances Cash and cash equivalents:		
Bank balance in current account	7,050,336	3,489,300
	<u>7,050,336</u>	<u>3,489,300</u>
3.11 Short-term loans and advances (Unsecured and considered good unless stated otherwise)		
Inter corporate deposits to related parties (Refer Note 6)	1,406,225,000	1,387,000,000
Unsecured and considered good	135,000	120,000
Unsecured and considered doubtful	5,600,000	5,600,000
Less : Provision for doubtful debts	(5,600,000)	(5,600,000)
Receivable from subsidiary (Refer Note 6)	133,509,198	-
	<u>1,539,869,198</u>	<u>1,387,120,000</u>
3.12 Other current assets		
Interest accrued on Fixed Deposits	81,408	74,955
Other receivables	-	2,257,502
	<u>81,408</u>	<u>2,332,457</u>

Reliance CleanGen Limited

Notes to financial statements as of and for the year ended March 31, 2015 (continued)

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
3.13 Revenue from Operations		
Service Income	270,000	270,000
	<u>270,000</u>	<u>270,000</u>
3.14 Other Income		
Interest income on bank deposits	160,388	160,388
Others	411	-
Dividend income on current investment	-	96,732
Gain on sale of Current investment	-	301
Miscellaneous income	28,100	430
	<u>188,899</u>	<u>257,851</u>
3.15 Finance cost		
Interest on:		
Working capital loans [Net of interest reimbursed from Subsidiary Company Rs. 146,342,636 (Previous Year: NIL)] [Refer Note 12]	79,935,672	34,967,467
Other finance charges	-	2,514,748
	<u>79,935,672</u>	<u>37,482,215</u>
3.16 Other expenses		
Filing fees	10,407	4,590
Printing and stationery	6,160	3,080
Legal and professional charges	11,318,651	349,985
Rates and taxes	38,140	674
Bank charges	-	9,389
	<u>11,373,358</u>	<u>367,718</u>

4 Other commitments

The Company has, jointly and severally with its holding company, given ongoing commitments to lenders to extend support and provide equity in respect of various projects undertaken by the respective subsidiaries, wherein the amounts of investment would vary considering the project cost and debt equity ratio agreed with the respective lenders.

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
5 Details of remuneration to auditors		
As auditor		
- For Statutory Audit Fees	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

6 Related Party Disclosures

As per Accounting Standard - 18 "Related Party Disclosures", as prescribed by the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

A. Parties where Control exists:

(i) Holding Company :

Reliance Power Limited (R Power)

(ii) Subsidiaries

Moher Power Limited (formerly known as Bharuch Power Limited (MPL))

Samalkot Power Limited (SMPL)

Reliance Solar Resources Power Private Limited (RSRPL)

Erstwhile Reliance Clean Power Private Limited (RCPPPL) (upto January 9, 2014)

Reliance Wind Power Private Limited (RWPPL)

Reliance Green Power Private Limited (RGPPL)

(iii) Fellow Subsidiaries

Chitrangi Power Private Limited (CPPL)

B. (i) Investing parties/promoters having significant influence on the Company directly or indirectly

(i) Companies

Reliance Infrastructure Limited (R Infra)

(ii) Individual

Shri Anil D Ambani

B. (ii) Other related parties with whom transactions have taken place during the year:

(i) Key Managerial Personnel

Suresh Nagarajan - Company Secretary and Manager*

Saurabh Garg - Chief Financial Officer (w.e.f. 05.02.2015)*

*No transactions during the year.

(ii) Fellow subsidiaries

Reliance Geothermal Power Private Limited (RGTPPL)

(iii) Enterprises over which, companies / individuals mentioned in clause A(ii) above, have control

Reliance Capital Limited (RCap)

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

Particulars	2014-2015	Rupees 2013-2014
(i) Transactions during the year :		
Sale of Investments		
R Power	-	518,460,000
Professional services given		
R Power	135,000	-
SMPL	135,000	135,000
Erstwhile RCPPL	-	135,000
Interest on Loan		
R Cap	226,278,308	37,482,215
Reimbursement of interest expense incurred by the Company		
SMPL	146,342,636	-
Loan taken		
R Cap	9,500,000,000	5,300,000,000
Refund of Loan		
R Cap	9,500,000,000	5,300,000,000
Refund of Share application money		
R Power	-	1,464,738,000
Share application money received		
R Power	-	77,000,000
Share application money given		
RWPPL	-	200,000
RGPPPL	-	4,800,000
Short-term borrowings		
R Power	7,547,032,000	1,180,038,000
Refund of Short-term borrowings		
R Power	7,289,632,000	200,000,000
Inter-corporate deposits given		
R Power	-	4,114,762,000
MPL	25,000	-
SMPL	-	88,100,000
RSRPL	100,000	100,000
RGTPPL	1,600,000	-
RGPPPL	17,500,000	-
CPPL	4,900,000	-
Inter-corporate deposits received back		
R Power	-	4,114,762,000
CPPL	4,900,000	-

(ii) Closing Balance

Equity share capital (excluding premium)		
R Power	115,500,000	115,500,000
Preference share capital (excluding premium)		
R Power	129,000,000	129,000,000
Investment in Equity shares of subsidiaries		
MPL	500,000	500,000
SMPL	8,959,900,000	8,959,900,000
RSRPL	100,000	100,000
RWPPL	100,000	100,000
RGPPL	15,845,000	15,845,000
Investment in Preference shares of subsidiaries		
MPL	2,625,000	2,625,000
SMPL	15,009,400,000	15,009,400,000
RWPPL	4,300,000	4,300,000
RGPPL	231,705,000	231,705,000
Short-term loans and advances		
SMPL	133,509,198	-
RGTPPL	24,000	-
Trade / other receivables		
R Power	121,500	-
SMPL	121,500	-
R Cap	-	2,257,502
Inter corporate deposits given		
MPL	25,000	-
SMPL	1,386,900,000	1,386,900,000
RSRPL	200,000	100,000
RGTPPL	1,600,000	-
RGPPL	17,500,000	-
Short-term borrowings		
R Power	1,437,438,000	1,180,038,000

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

(iv) Other Transaction:

In terms of the sponsor support agreement dated December 23, 2011, the Company has agreed to pledge 100% of its holding in equity and preference shares of Samalkot Power Limited as a security towards term loan availed by Samalkot Power Limited. Accordingly, the Company has already pledged 65,00,000 Equity shares and 1,35,73,500 preference shares. The Company is in the process of pledging 25,09,400 Equity shares and 14,35,900 preference shares.

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
7 Earnings per share		
Profit/(loss) for the year (Rupees) (A)	(90,913,198)	(37,378,919)
Weighted average number of equity shares for basic earnings per share (B)	11,550,000	11,550,000
Earnings/(Loss) per share - Basic - Rupees (A/B)	(7.87)	(3.24)
Nominal Value of an Equity Share (Rupees)	10	10

Both the classes of 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

8 Disclosure of Loans and Advances to Subsidiaries

Name	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2015	March 31, 2014	2014-15	2013-14
Samalkot Power Limited	1,520,409,198	1,386,900,000	1,520,409,198	1,386,900,000
Reliance Green Power Private	17,500,000	-	17,500,000	247,450,000
Moher Power Limited (formerly known as Bharuch Power Limited)	25,000	-	25,000	2,625,000
Reliance Solar Resources Private Limited	200,000	100,000	200,000	100,000
Reliance Wind Power Private	-	-	-	4,300,000

As at the year-end, the Company-

- (a) has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years and
- (b) has no loans and advances in the nature of loans to firms/companies in which directors are interested.

9 Segment Reporting

There are no separate reportable segments as defined under Accounting Standard - 17 'Segment Reporting' as prescribed by Companies (Accounting Standards) Rules, 2006.

10 Micro and Small Scale Business Entities

Disclosure of 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, as per the information available with the Company. 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.

11 Investment in Samalkot Power Limited (SMPL)

SMPL, a subsidiary, is in the process of constructing a 2,262 MW (754 MW x 3) gas based power plant at Kakinada, which based on the current circumstances, has planned its construction work and consequential commercial operations thereafter progressively starting from 2015 - 2016, and it has incurred an aggregated cost of Rs. 86,87,91,24,034, as at March 31, 2015. SMPL has applied for allocation of gas and Ministry of Petroleum and Gas (MoPNG) is yet to allocate the gas linkage. Considering that the gas availability in the country has dropped significantly and also based on gas availability projected scenarios in subsequent years, SMPL is actively pursuing / making representations with various government authorities to secure the gas linkage / supply and is evaluating alternative arrangements / various approaches to deal with the situation. Based on the business plans and valuation assessment as at March 31, 2015, done by the management of SMPL, it is confident that the carrying value of the net assets of SMPL is appropriate and consequently, there is no diminution in the value of investment made by the Company.

- 12 The Company has obtained interest bearing loan for its business requirements and has also given interest free loan to its Subsidiary Company. Therefore, to the extent of funds given to the Subsidiary Company, the interest amounting to Rs. 146,342,636 is recovered from the Subsidiary Company.
- 13 The Management has been legally advised that the Company would qualify as an Infrastructure Company within the meaning of clause (a) of sub-section 11 of section 186 of the Companies Act, 2013.
- 14 Previous year figures have been regrouped and recast wherever necessary to make them comparable to those for current year.

Reliance CleanGen Limited

Notes to the financial statements as of and for the year ended March 31, 2015 (Continued)

As per our attached report of even date

For Chaturvedi and Shah

Chartered Accountants

Firm Registration No: 101720W

For and on behalf of the Board of Directors

Vijay Napawalla

Partner

Membership No.: 109859

Rachakonda Ramana Venkata

Director

DIN: 07014032

Place: Mumbai

Date: May 26, 2015

Ponnada Venkata Rao

Director

DIN: 01503467

Saurabh Garg

Chief Financial Officer

Suresh Nagarajan

Company Secretary

Place: Mumbai

Date: May 26, 2015