

# **FINANCIAL STATEMENT**

**2014-15**

**SASAN POWER LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

**To the members of Sasan Power Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Sasan Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 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 to 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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 Rule made thereunder.
5. 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.
6. 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 auditors' 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.
7. 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.

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2015, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. 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.
10. 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.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 knowledge and belief and according to the information and explanations given to us:
    - i) The Company has disclosed the impact of pending litigations as at March 31, 2015, on its financial position in its financial statements; (Refer Note 4)
    - ii) The Company has long term contract including derivative contract as on March 31, 2015 for which there were no material foreseeable losses.

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To the Members of Sasan Power Limited  
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- 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 Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

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

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

**Vijay Napawaliya**  
Partner  
Membership Number: 109859

Place: Mumbai  
Date: May 22, 2015

Place: Mumbai  
Date: May 22, 2015

**Sasan Power Limited**

**Annexure to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Sasan Power 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 according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.  
  
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- 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 inventory and fixed assets and for the sale of electricity. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. During the year under audit, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any other Tribunal.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Electricity Duty and Energy Development Cess (Refer Note 20 of the Financial Statements) and Gramin Sarvachhina Tax, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2015, for a period of more than six months from the date they became payable are as follows:



**Sasan Power Limited****Annexure to Independent Auditors' Report**

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Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
The Madhya Pradesh Gramin Avsarachna Tatha Sadak Vikas Adhiniyam, 2005	Gramin Sarvachna Tax	29,588,334	2013-14 and 2014-15	Monthly	Not Paid
The Madhya Pradesh Vidyut Shulk Adhiniyam 2012	Electricity duty and energy development cess	4,445,311,746	2013-14 and 2014-15	Monthly	Not Paid

- (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, cess which have not been deposited on account of any dispute.
- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and 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 during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, except for the unutilised proceeds of term loans, to the extent of Rs. 9,453,069,572 that were obtained for capital expenditure but held in fixed deposit, mutual fund and current accounts with banks at the year end, the term loans have been applied for the purposes for which they were obtained.

**Sasan Power Limited**

**Annexure to Independent Auditors' Report**

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- 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 Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

**For Chaturvedi & Shah**

Firm Registration Number: 101720W  
Chartered Accountants

**Priyanshu Gundana**

Partner

Membership Number: 109553

**Vijay Napawaliya**

Partner

Membership Number: 109859

Place: Mumbai

Date: May 22, 2015

Place: Mumbai

Date: May 22, 2015

Sasan Power Limited

Balance Sheet as at March 31, 2015

Particulars	Note	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	770,495,000	675,775,000
Reserves and surplus	3.2	76,997,532,704	67,633,185,594
<b>Non-current liabilities</b>			
Long-term borrowings	3.3	159,240,538,106	145,986,562,682
Other long term liabilities	3.4	14,626,037,140	13,238,485,399
Long-term provisions	3.5	1,140,482,412	552,471,058
<b>Current liabilities</b>			
Short-term borrowings	3.6	1,400,000,000	-
Trade payables	3.7	40,997,997	-
Other current liabilities	3.8	20,287,691,446	7,486,543,161
Short-term provisions	3.9	9,066,164,184	4,266,139
<b>Total</b>		<b>283,569,938,989</b>	<b>235,577,289,033</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	3.10	218,874,817,652	24,199,640,702
Intangible assets	3.10	315,529,739	327,658,501
Capital work-in-progress	3.11	27,334,361,615	196,967,910,364
Long-term loans and advances	3.12	7,949,457,363	10,171,294,846
Other non-current assets	3.13	1,587,651,497	201,327,065
<b>Current assets</b>			
Current investments	3.14	7,229,514,836	-
Inventories	3.15	2,687,720,060	1,361,241,795
Trade receivables	3.16	9,943,806,562	576,171,387
Cash and bank balances	3.17	1,108,765,492	276,260,578
Short-term loans and advances	3.18	1,981,544,421	1,253,057,571
Other current assets	3.19	4,356,772,732	240,726,224
<b>Total</b>		<b>283,569,938,989</b>	<b>235,577,289,033</b>

The notes are an integral part of these financial statements.



As per our attached report of even date

For Price Waterhouse  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana  
Partner  
Membership Number: 109553

Dr. Yogendra Narain  
Director  
DIN Number: 01871111

Devyani Khankhoje  
Director  
DIN Number: 07086817

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

Ashok Kachardas Karnavat  
Director  
DIN Number: 07098455

Ashutosh Agarwala  
Director  
DIN Number: 03151103

Vijay Napawaliya  
Partner  
Membership Number: 109859

Shrikant D Kulkarni  
Director  
DIN Number: 05136399

Laxmi Dutt Vyas  
Chief Financial Officer

Paresh Rathod  
Company Secretary  
Membership No. : FCS 3476

N. Venugopala Rao  
Chief Executive Officer

Place: Mumbai  
Date: May 22, 2015

Place: Mumbai  
Date: May 21, 2015

Sasan Power 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 from operations	3.20	430,592,040	-
Other income	3.21	228,974,460	14,267,378
<b>Total revenue</b>		<b>659,566,500</b>	<b>14,267,378</b>
Cost of fuel consumed		156,503,658	-
Employee benefits expense	3.22	8,656,519	-
Finance costs	3.23	172,109,469	-
Depreciation / amortisation		55,058,812	-
Generation, administration and other expenses	3.24	232,608,268	560,360
<b>Total expenses</b>		<b>635,636,726</b>	<b>560,360</b>
<b>Profit before tax</b>		<b>24,029,774</b>	<b>13,707,018</b>
Tax expense:			
Current tax - for the year		36,962,664	793,357
- for earlier years		-	3,681
<b>Profit / (loss) for the year</b>		<b>(12,932,890)</b>	<b>12,909,980</b>
Earnings / (loss) per equity share: (face value of Rs. 10 each)			
Basic and diluted		(0.36)	0.46
(Refer note 9)			

The notes are an integral part of these financial statements

As per our attached report of even date

For Price Waterhouse  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana  
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Laxmi Dutt Vyas  
Chief Financial Officer

Paresh Rathod  
Company Secretary  
Membership No. : FCS 3476

N. Venugopala Rao  
Chief Executive Officer

Place: Mumbai  
Date: May 27, 2015

Place: Mumbai  
Date: May 21, 2015

Sasan Power Limited

Cash flow statement for the year ended March 31, 2015

	Year ended March 31, 2015 Rupees	Year ended March 31, 2014 Rupees
<b>(A) Cash flow from / (used in) operating activities</b>		
Profit before tax	24,029,774	13,707,016
Adjustments for:		
Profit on redemption of current investments (non trade)	(212,275,992)	-
Depreciation / Amortisation	65,658,812	-
Amortisation of Mining Property (Included in cost of fuel consumed)	63,251,318	-
Finance cost	172,109,469	-
Interest income	(8,285,028)	(4,723,879)
Premium on amortisation of forward contracts	11,667,138	-
Loss on Derivative contracts	610,230	-
Dividend income on current investment (non trade)	(8,413,440)	(9,543,499)
Provision for gratuity and leave encashment	121,636	-
Provision for contingency	160,728,049	-
<b>Operating Profit / (loss) before working capital changes</b>	<b>269,201,966</b>	<b>(560,360)</b>
Adjustment for:		
Trade receivables	(430,592,040)	-
Trade payable	40,997,997	-
Other liabilities	203,963,869	-
Inventories (refer note no. ii below)	(41,682,658)	(72,411,458)
	<b>41,689,124</b>	<b>(72,971,818)</b>
Taxes paid (net of refund)	(19,718,045)	-
<b>Net cash used in operating activities</b>	<b>22,171,079</b>	<b>(72,971,818)</b>
<b>(B) Cash flow from / (used in) investing activities</b>		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(7,770,879,641)	(31,704,978,387)
Sale / (purchase) of current investments (non trade) (net)	(7,014,584,403)	-
Dividend income on current investments (non trade)	10,434,242	43,896,669
(Increase) / decrease in non-current bank deposits	(1,421,088,470)	124,213,564
Decrease in other bank balances	96,825,601	2,003,229,496
Interest received	46,226,918	602,903,154
Taxes paid (net of refund)	-	(58,753,632)
<b>Net cash used in investing activities</b>	<b>(16,053,065,693)</b>	<b>(28,989,489,236)</b>
<b>(C) Cash flow from / (used in) financing activities</b>		
Share application money received	9,472,000,000	11,173,495,000
Proceeds from long term borrowings - secured	29,343,655,190	6,273,024,709
Repayment of long term borrowings - secured	(9,970,864,199)	-
Inter corporate deposit received	1,400,000,000	-
Interest and finance charges paid	(13,284,575,802)	(9,954,994,686)
<b>Net cash from financing activities</b>	<b>16,960,215,189</b>	<b>7,491,525,023</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>929,320,575</b>	<b>(21,570,936,031)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		
Bank balances		
- in current accounts	179,434,917	19,250,370,948
- in fixed deposits	-	2,500,000,000
<b>Cash and cash equivalents at the end of the year</b>		
Bank balances		
- in current accounts	108,755,492	179,434,917
- in fixed deposits	1,000,000,000	-

i. Previous year figures have been regrouped and recasted wherever considered necessary to the current year classification.

ii. Inventory includes fuel for the coal mining activities and used for the construction of power plant.

As per our attached report of even date

For Price Waterhouse  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana  
Partner  
Membership Number: 109553

Dr. Yogendra Narain  
Director  
DIN Number: 01871111

Devyani Khankhoje  
Director  
DIN Number: 07086817

For Chaturvedi & Shah  
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Laxmi Dutt Vyas  
Chief Financial Officer

Paresh Rathod  
Company Secretary  
Membership No. : FCS 3476

N. Venugopala Rao  
Chief Executive Officer

Place: Mumbai  
Date: May 22, 2015

Place: Mumbai  
Date: May 21, 2015

1. General Information

Sasan Power Limited, a wholly owned subsidiary of Reliance Power Limited, has set up an Ultra Mega Power project of 3,960 Mega Watt (MW) (6X660 MW) at Sasan, Madhya Pradesh. A power purchase agreement (PPA) has been executed with 14 procurers located in 7 States, based on which the generated power is sold. The project has been allotted captive coal blocks to meet its fuel requirements. During the year, the commercial operations of all the six units have been completed.

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:

- (i) 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 under Capital Work-in-Progress.

- (ii) The Company has setup an Ultra Mega Power Plant (UMPP) which comprises of six units each capable of generating 660 MW of Power. On a technical evaluation, inter alia, of the integrated nature of the plant and the commercial terms of PPA with the procurers, the Company has concluded that the entire power plant taken as a whole constitutes the unit of measurement and hence, under Accounting Standard – 10 "Accounting for Fixed Assets" as prescribed under Companies (Accounting Standards) Rules - 2006, and has been capitalised on completion of the power plant consisting of all six units. Also refer note 14 below.

Accordingly all project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / directly attributable to construction of project, borrowing cost, coal mine development expenses, construction stores, revenues and direct operational expenses related to the units of power generated in the interim period, pending capitalisation, are disclosed as Capital Work-in-Progress.

- (iii) Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

d) Mining Properties under Tangible Assets:

- (i) Overburden removal costs

Removal of overburden and other waste material, referred to as "stripping activity", is necessary to extract the coal reserves in case of open pit mining operations. The stripping ratio, as approved by the regulatory authorities, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

The overburden removal costs are included in mining properties under tangible assets and amortised based on stripping ratio on the quantity of coal excavated.



(ii) Mine closure obligation

The liability to meet the obligation of mine closure has been estimated based on the mine closure plan in the proportion of total area exploited to the total area of the mine as a whole. These costs are updated annually during the life of the mine to reflect the developments in mining activities.

The mine closure obligation cost has been included in mining properties under tangible assets and amortised over the life of the mine on a unit of production basis.

(iii) Mine development expenditure

Expenditure incurred on development of coal mine is grouped under Capital Work-in-Progress till the coal mine is ready for its intended use. Once the mine is ready for its intended use, such mine development expenditure is capitalised and included in mining properties under tangible assets.

Mine development expenditure is amortised over the life of the mine on a unit of production basis.

e) Intangible Assets:

(i) 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.

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

(iii) Mining right represents directly attributable cost (other than the land cost) incurred for obtaining the mining rights for a period of thirty years and disclosed as part of intangible assets in line with the requirements of the Act.

f) 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.

g) Inventories:

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition, and net realizable value after providing for obsolescence and other losses.

In case of coal stock, the measured stock is based on a verification process adopted and the variation between measured stock and book stock is charged to Statement of Profit and Loss / Capital Work-in-Progress.

h) Depreciation / Amortization:

(i) Tangible Assets

Depreciation on Tangible Assets is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of the Coal Mine HEMM Equipment, where useful life has been estimated as 30 years based on internal assessment and independent technical evaluation.

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier, except leasehold land for coal mining, which is amortised over the period of mining rights.

Freehold land acquired for coal mining activity is amortised over the period of mining rights, considering the same cannot be used for any other purpose other than mining.

(ii) Intangible Assets

Software expenses are amortised on a straight line basis over a period of three years. Mining rights are amortised on a straight line basis over the period of thirty years i.e. the period over which the Company has right to carry out mining activities.

**i) 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.

**j) Provisions, Contingent Liabilities and Contingent Assets:**

**(i) 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.

**(ii) 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".

**(iii) Contingent Assets**

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

**k) Borrowing Costs:**

Borrowing costs include cost that are ancillary and requires as per the terms of agreement. Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**l) Foreign currency transactions:**

**(i)** Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

**(ii)** All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

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

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

**(iv)** The premium or discount arising at the inception on forward exchange contracts entered into, to hedge an existing asset/ liability is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

**(v)** Loss on derivative contracts, other than those covered under Accounting Standards – 11 "The Effects of Changes in Foreign Exchange Rates" (refer (iv) above), outstanding as at the balance sheet is provided for by marking them to market as per the announcement by The Institute of Chartered Accountants of India. Any unrealised gain arising on such contracts are not recognised.

m) Revenue recognition:

- (i) Revenue from sale of energy is recognized when it is measurable and there is reasonable certainty for collection, in accordance with the tariff provided in the PPA and considering the petitions filed with regulatory authorities for tariff. The revenue accounted/ accrued till the commissioning of power plant as a whole is accounted for as per the accounting policy as defined above in note 2(c).
- (ii) Profit on sale/redemption of investment is accounted on sale/ redemption of such investments. Dividend on investment is accounted when the right to receive payment is established in the entity's favour. Interest on deposits is accounted for on an accrual basis.

n) Employee benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme and Leave Encashment.

- (i) Defined contribution plans:  
Contributions to defined contribution schemes such as provident fund and superannuation are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable, during the year in which the employee renders the related service.
- (ii) Defined Benefit Plans:  
The Company also provides employee benefits in the form of gratuity and leave encashment, the liability for which as at the year-end is determined by independent actuaries based on actuarial valuation using the projected unit credit method. Such defined benefits are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. Actuarial gain/ losses are recognised in the year in which they arise.
- (iii) Short term/ long term employee benefits:  
All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

o) 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 reflects 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.

p) 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.

q) 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.

r) 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.

Notes to the 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
<b>3.1 Share capital</b>		
<b>Authorised</b>		
5,000,000,000 (previous year : 5,000,000,000) equity shares of Rs.10 each	50,000,000,000	50,000,000,000
1,000,000,000 (previous year : 1,000,000,000) preference shares of Rs.10 each	10,000,000,000	10,000,000,000
	<u>60,000,000,000</u>	<u>60,000,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
41,260,750 (previous year: 33,788,750) equity shares of Rs.10 each fully paid up	412,607,500	337,887,500
35,788,750 (previous year: 33,788,750) preference shares of Rs.10 each fully paid up [refer note 3.1.2(b) below]	357,887,500	337,887,500
	<u>770,495,000</u>	<u>675,775,000</u>
<b>3.1.1 Reconciliation of number of shares</b>		
<b>Equity shares</b>		
Balance at the beginning of the year - 33,788,750 (previous year: 28,226,755) shares of Rs.10 each	337,887,500	282,267,550
Add: Issued during the year - 7,472,000 (previous year: 5,561,995) shares of Rs.10 each	74,720,000	55,619,950
<b>Balance at the end of the year - 41,260,750 (previous year: 33,788,750) shares of Rs.10 each</b>	<u>412,607,500</u>	<u>337,887,500</u>
<b>Preference shares [refer note 3.1.2(b)]</b>		
Balance at the beginning of the year - 33,788,750 (previous year: 28,177,250) shares of Rs.10 each	337,887,500	281,772,500
Add: Issued during the year - 2,000,000 (previous year: 5,611,500) shares of Rs.10 each	20,000,000	56,115,000
<b>Balance at the end of the year - 35,788,750 (previous year: 33,788,750) shares of Rs.10 each</b>	<u>357,887,500</u>	<u>337,887,500</u>
<b>3.1.2 Rights, preference and restriction attached to shares</b>		
<b>a) Equity shares</b>		
The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
<b>b) Preference shares</b>		
<b>As on March 31, 2014 - 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)</b>		
The Company has only one class of NCRPS having par value of Rs.10 per share which were issued at a premium of Rs. 990 per share. These shares were redeemable within twenty years from the date of their issue. These shares however can be redeemed earlier, after fifteen years from the date of issue at the option of the Company or the holder at an issue price of Rs. 1,000 per share. Dividend on these shares is payable on the issue price of Rs. 1,000 and dividend shall not be paid prior to commissioning of the Company's project under implementation or upto March 31, 2016, whichever is earlier.		
<b>As on March 31, 2015 - 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>		
"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 (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 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."		
<b>3.1.3 Shares held by Holding Company</b>		
<b>Equity shares</b>		
Reliance Power Limited - Holding Company	412,607,500	337,887,500
41,260,750 (previous year : 33,788,750) equity shares of Rs.10 each fully paid [Out of the above, 7 (previous year: 7) shares are jointly held by Reliance Power Limited and its nominees]	<u>412,607,500</u>	<u>337,887,500</u>
<b>Preference shares [refer note 3.1.2(b)]</b>		
Reliance Power Limited - Holding Company	357,887,500	337,887,500
35,788,750 (previous year : 33,788,750) preference shares of Rs.10 each fully paid	<u>357,887,500</u>	<u>337,887,500</u>
<b>3.1.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Equity shares</b>		
Equity shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company	100%	100%
Percentage of holding in the class		
Number of shares	41,260,750	33,788,750
<b>Preference shares [refer note 3.1.2(b)]</b>		
Preference shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company	100%	100%
Percentage of holding in the class		
Number of shares	35,788,750	33,788,750

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

3.2 Reserves and surplus

3.2.1 Securities premium account

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Balance as per last balance sheet	56,852,225,000	55,790,464,950
Add: Equity shares issued during the year	7,397,280,000	5,505,375,050
Add: Preference shares issued during the year [refer note 3.1.2(b)]	1,980,000,000	5,555,385,000
Balance at the end of the year	<u>76,229,505,000</u>	<u>66,852,225,000</u>

3.2.2 Surplus in the statement of profit and loss

Balance as per last balance sheet	780,960,594	768,050,614
Profit / (loss) for the year	(12,932,890)	12,909,980
Balance at the end of the year	<u>768,027,704</u>	<u>780,960,594</u>
	<u>76,997,532,704</u>	<u>67,633,185,594</u>

3.3 Long-term borrowings

Secured

Term loans:

Rupee loans from banks	34,903,544,623	28,505,842,283
Foreign currency loans from banks	36,473,232,300	41,248,565,954
Rupee loans from financial institutions / other parties	33,416,151,929	29,591,262,395
Foreign currency loans from financial institutions / other parties	54,447,609,254	46,940,892,050
	<u>159,240,538,106</u>	<u>145,986,562,682</u>

3.3.1 Nature of security for term loans

- Term loans from all banks, financial institution/other parties of Rs. 169,746,746,222 (previous year Rs. 148,170,935,310) is secured / to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on pari passu basis and pledge of 100% of the total issued share capital of the Company held by the Holding Company.
- The Holding Company has given financial commitments/guarantees to the lender of the Company. [refer note 8(E)(iv)].
- Current maturities of long term borrowings have been classified as other current liabilities (refer note 3.8).

3.3.2 Terms of Repayment and Interest

- 50 % of Rupee Term Loan from banks of Rs. 34,903,544,623 (previous year Rs. 28,866,675,730) is repayable in 40 quarterly installments starting from 31st March 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carry interest rate of 13.25% payable on a monthly basis.
- The foreign currency loan from banks of Rs. 36,473,232,300 (previous year Rs. 41,248,565,954) are in the nature of buyer's credit availed in foreign currency to be refinanced through long term loans (rupee or foreign currency) and carry interest rate of USD LIBOR plus 36 basis points.
- 50 % of Rupee Term Loan from financial institutions/other parties of Rs. 11,113,015,880 (previous year Rs. 9,612,453,638) is repayable in 40 quarterly installments starting from 31st March 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carry interest rate of 13.25% payable on a monthly basis.
- Rupee Term Loan from financial institutions/other parties of Rs. 24,961,952,049 (previous year Rs. 20,440,317,736) is repayable in 60 quarterly installment starting from 31st March 2015 and carry interest rate of 13 to 13.50% payable on quarterly basis.
- 50 % of Foreign Currency Loan from financial institutions/other parties of Rs. 22,617,793,950 (previous year Rs. 18,663,322,265) is repayable in 40 quarterly installments starting from 31st March 2015. Remaining 50% is repayable in one single bullet at the end of ten years from March 31, 2015 and carry interest rate of USD LIBOR plus 305 basis points per annum payable on quarterly basis.
- Foreign currency loan from financial institution / other parties of Rs. 30,604,995,472 (previous year Rs. 23,930,617,997) is repayable in 24 semi-annual installments starting from March 20, 2015 and carry interest rate of fixed at 3.66% per annum payable on quarterly basis.
- Foreign currency loan from financial institution / other parties on consortium basis of Rs. 5,402,211,948 (previous year Rs. 5,408,982,000) is repayable in 19 semi-annual installments starting from March 20, 2015 and carry interest rate of USD LIBOR plus 3.75 percent per annum payable on quarterly basis.

Notes to the 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
<b>3.4 Other long term liabilities</b>		
Retention money payable (including Rs. 4,602,301,199 (previous year Rs. 5,017,979,864) due to related party (refer note 8))	12,630,321,395	12,474,172,214
Creditors for capital expenditure (refer note 7)	30,167,084	356,893,485
Others (including hedging premium)	1,965,548,961	405,419,700
	<u>14,626,037,440</u>	<u>13,238,485,399</u>
<b>3.5 Long-term provisions</b>		
Provision for gratuity (refer note 10)	4,712,607	-
Provision for leave encashment (refer note 10)	30,831,749	26,961,603
Provision for mine closure expenses (refer note 2(d)(ii) and 12)	932,541,630	347,436,229
Others Provisions	172,396,226	178,073,226
	<u>1,140,482,412</u>	<u>552,471,058</u>
<b>3.6 Short-term borrowings</b>		
Unsecured		
Inter corporate deposit received from Holding Company (refer note 8) (interest free deposit, repayable within 1 year)	1,400,000,000	-
	<u>1,400,000,000</u>	<u>-</u>
<b>3.7 Trade payables</b>		
Trade payable for goods and services (refer note 7)	40,997,997	-
	<u>40,997,997</u>	<u>-</u>
<b>3.8 Other current liabilities</b>		
Current maturities of long term borrowings (refer note 3.3)	10,506,208,117	2,184,372,636
Interest accrued but not due on borrowings	405,419,822	365,231,864
Security deposits received	14,761,366	6,299,456
Creditors for capital expenditure [(refer note 7 and including Rs. 203,901,936 (previous year Rs. 441,392,406) due to related party (refer note 8))	4,375,598,166	4,183,262,626
Retention money payable	199,802,013	179,748,950
Dues to Holding Company (refer note 8)	505,282,076	2,808,750
Dues to fellow subsidiary (refer note 8)	171,620,015	134,192,037
Statutory dues (including electricity duty and energy development cess, provident fund, tax deducted at source)	2,672,328,535	123,023,929
Employee benefits payable	120,696,305	126,396,044
Others (including hedging premium)	1,315,975,026	182,211,860
	<u>20,287,691,446</u>	<u>7,486,543,161</u>
<b>3.9 Short-term provisions</b>		
Provision for leave encashment (refer note 10)	4,443,654	4,266,139
Provision for regulatory matter [including Rs. 707,782,316 (previous year Rs. nil) to related party (refer note 8 and refer note 17)]	9,061,720,530	-
	<u>9,066,164,184</u>	<u>4,266,139</u>



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

## Purpose

2. Among properties, includes expenses incurred towards removal of over burden, which have been transferred from capital work-in-progress (refer note 3.1(a)).

Refer note 2(n)

2. Among properties includes expenses incurred towards removal of over burden, which have been transferred from capital work-in-progress (refer note 3.1(a)).

3.11 Capital Work-in-Progress<sup>1</sup>

Particulars	As at April 1, 2014	Incurred/Adjusted during the year	Capitalised /Adjusted	Rupees As at March 31, 2015
<b>A. Assets under Construction<sup>2</sup></b>	147,343,514,376	8,248,903,906	137,426,291,269	18,168,127,013
<b>B. Incidental Expenses</b>				
Interest and Finance Charges	27,746,985,245	16,022,066,427	37,363,765,287	6,405,306,385
Employee Benefit expense:				
- Salaries and Other Costs	1,460,669,191	556,847,068	1,765,853,989	254,762,270
- Contribution to Provident and Other Funds (Refer note 10)	66,801,378	25,907,674	80,822,544	11,886,508
- Gratuity and Leave Encashment (Refer note 10)	53,165,863	12,797,629	56,546,386	9,407,106
Depreciation/Amortisation	80,888,306	36,267,897	95,763,459	20,372,744
Insurance Charges	582,537,482	481,019,164	877,018,463	188,538,103
Bank and Corporate Guarantee Charges	893,889,620	276,285,141	998,927,636	171,247,131
Foreign Exchange Loss/ (Gain) (Net) (Refer note 2(i) and 11)	15,404,637,630	-4,063,204,955	18,004,014,474	1,483,888,111
Legal and Professional Charges (including shared service charges)	810,282,139	636,245,663	1,192,819,871	253,707,631
Expenditure towards acquisition of Land	360,276,249	44,676,218	357,658,797	47,083,670
Fuel and Operational Expenses <sup>3</sup>	2,946,914,679	12,148,518,006	15,095,432,686	
Survey and Investigation Expenses	209,904,504		173,989,159	36,815,345
Travelling and Conveyance	626,408,930	69,077,937	573,504,763	121,982,084
Miscellaneous Expenses (including Provision for regulatory matter of Rs. 8,900,992,461 (previous year Rs. Nil) (refer note 17)	1,184,605,549	9,969,124,866	9,935,034,205	217,796,213
	52,427,956,771	43,364,218,548	66,571,381,738	9,220,793,581
<b>Less: Income</b>				
Sale of power - net of rebate (including infirm power)	2,009,067,149	25,116,761,733	27,125,828,882	
Interest on Fixed Deposit	640,975,013	77,428,775	613,270,273	105,133,515
Gain on sale/redemption of Mutual Funds - Current Investment	4,810,755	2,654,441	6,372,715	1,092,481
Dividend Income on Current (Non-Trade) Investments	248,397,015	2,020,802	213,770,870	36,646,847
Miscellaneous Income	117,641,362	105,489,661	183,996,114	39,135,209
	3,020,891,294	25,304,355,712	28,143,236,854	182,008,162
	49,407,065,477	18,059,862,836	58,428,142,884	9,038,785,429
<b>C. Construction stores</b>	217,330,511			129,449,173
<b>Total Capital Work-in-Progress (A+B+C)</b>	196,967,910,364	26,368,766,742	195,854,434,353	27,334,361,615
Previous Year	161,926,053,854	43,341,111,298	8,224,316,922	196,967,910,364

<sup>1</sup> Refer note 14

<sup>2</sup> Includes material in transit of Rs. nil (previous year Rs. 524,945,129)

<sup>3</sup> Fuel and operational expenses incurred on power generated includes:

Particulars	2014-15	2013-14
Stores and spares consumed	178,013,673	135,318,756
Fuel consumed	1,115,582,378	1,227,668,026
Depreciation	73,639,632	43,734,993
Amortisation of mining properties (refer note 3.10)	4,212,288,019	900,340,398
Taxes and duties	2,734,357,086	300,298,000
Other expenses (including electricity duty and energy development cess)	3,634,636,918	71,484,492
<b>Total<sup>4</sup></b>	12,148,518,006	2,768,842,665

3.11(a) Mining Properties - Overburden excavation expense:

Particulars	2014-15	2013-14
Fuel consumed	915,275,877	645,062,296
Stores and spares consumed	289,808,138	555,019,045
Employee benefit expense:		
- Salaries and Other Costs	277,157,865	249,785,856
- Contribution to Provident and Other Funds (Refer note 10)	5,304,111	11,423,558
- Gratuity and Leave Encashment (Refer note 10)	2,620,075	9,090,006
Depreciation on mining assets	631,173,992	1,452,928,072
Mine Development charges	635,231,573	207,423,635
Other expenses	670,141,816	283,879,434
	3,326,773,446	3,414,611,864
Less: Transfer to Mining properties (Tangible assets)	(3,326,773,446)	(3,414,611,864)
<b>Balance at the end of the year</b>		

Notes to the 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
<b>3.12 Long-term loans and advances</b> (Unsecured and considered good unless stated otherwise)		
Capital advances	5,200,103,113	6,617,725,013
(including Rs. 4,577,911,667 (previous year Rs. 5,707,307,002) paid to related party (refer note 8))		
Security deposits	428,649,837	428,949,837
Other advances		
- Advance recoverable in cash or in kind	27,132,415	27,132,415
- Balance with government authorities	2,251,030,279	3,037,701,243
- Advance income tax (net of provisions for tax of Rs. 47,206,067 (previous year Rs. 10,245,403))	42,541,719	59,785,338
	<u>7,949,457,363</u>	<u>10,171,294,846</u>
<b>3.13 Other non-current assets</b> (Unsecured and considered good unless stated otherwise)		
Non-current bank balances (margin money deposits)	1,521,856,615	100,767,145
Interest accrued on deposits	65,795,882	5,795,236
Others	-	94,764,684
	<u>1,587,651,497</u>	<u>201,327,065</u>
<b>3.14 Current investments (Non-trade)</b>		
Unquoted - Mutual fund units		
Reliance liquidity fund - Direct Growth Plan Growth Option - LQAG	7,079,514,837	-
(Number of units 3,359,128 (previous year: nil) face value of Rs. 1000 each)		
Reliance liquid fund - treasury plan - Direct Growth Plan - Growth Option - LFAG	149,999,999	-
(Number of units 43,995 (previous year: nil) face value of Rs. 1000 each)		
	<u>7,229,514,836</u>	<u>-</u>
Aggregate book value of unquoted current investment	<u>7,229,514,836</u>	<u>-</u>
<b>3.15 Inventories</b>		
Fuel	394,075,987	352,393,329
Stores and spares	2,493,652,093	1,008,042,406
	<u>2,887,728,080</u>	<u>1,361,241,795</u>
<b>3.16 Trade receivables</b> (Unsecured and considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the due date	9,125,259,370	-
Others*	6,818,546,192	576,171,387
	<u>9,943,805,562</u>	<u>576,171,387</u>
* Out of which Rs. 323,538,464 (previous year Rs. 97,930,042) has been billed subsequent to the year end (including Rs. 558,409,750 (previous year Rs. 97,574,630) to related party (refer note 8))		
<b>3.17 Cash and bank balances</b>		
Cash and cash equivalents		
Balance with banks		
- Bank balance in current accounts	108,755,492	178,434,917
- In deposit accounts with original maturity of less than 3 months	1,000,000,000	-
	<u>1,108,755,492</u>	<u>178,434,917</u>
Other bank balances		
- Margin money deposits	-	96,825,661
	<u>-</u>	<u>96,825,661</u>
	<u>1,108,755,492</u>	<u>276,260,578</u>

Notes to the 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
<b>3.18 Short-term loans and advances</b>		
• (Unsecured and considered good unless stated otherwise)		
Loans and advances to related party (refer note 8)		961
Other advances		
- Advance recoverable in cash or in kind	681,641,217	111,404,372
(including Rs. 600,211,562 (previous year Rs. nil) receivable from related party (refer note 8))		
- Balance with government authorities	1,215,905,204	766,128,245
- Prepaid expenses	83,418,216	374,668,540
- Loans / advances to employees	379,764	855,453
	<u>1,981,544,421</u>	<u>1,253,067,611</u>
<b>3.19 Other current assets</b>		
(Unsecured and considered good)		
Interest accrued on deposits	198,082	20,711,843
Unbilled revenue (refer note 16)	3,957,479,685	
Others (including Rs. 66,854,425 (previous year Rs. nil) receivable from related party (refer note 8))	399,094,969	220,014,381
	<u>4,356,772,732</u>	<u>240,726,224</u>

Sasan Power Limited

Notes to the 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
<b>3.20 Revenue from operations</b>		
Sale of energy	430,592,040	-
	<u>430,592,040</u>	<u>-</u>
<b>3.21 Other Income</b>		
Interest income:		
Fixed deposits	8,285,028	4,723,878
Dividend income on current investment (non trade)	8,413,440	9,543,499
Profit on redemption of mutual funds from current investments (non trade)	212,275,992	-
	<u>228,974,460</u>	<u>14,267,378</u>
<b>3.22 Employee benefits expense</b>		
Salaries, bonus and other allowances	8,147,200	-
Contribution to provident fund and other funds (Refer note 10)	387,603	-
Gratuity and leave encashment (Refer note 10)	121,626	-
	<u>8,656,519</u>	<u>-</u>
<b>3.23 Finance cost</b>		
Interest on:		
Rupee term loans	184,551,180	-
Foreign currency loans	29,976,224	-
Rebate to a customer	3,263,535	-
Other finance charges	4,318,529	-
	<u>172,109,469</u>	<u>-</u>
<b>3.24 Generation, administration and other expenses</b>		
Stores and spares consumed	3,085,243	-
Repairs and maintenance	-	-
Plant and equipment	5,810,316	-
Others	72,532	-
Stamp duty and filing fees	300,000	620,360
Advertisement expenses	10,000	-
Printing and stationery	49,738	-
Legal and professional charges (including shared service charges) (refer note 6)	2,221,345	-
Postage and telephone	360,671	-
Travelling and conveyance	89,590	-
Directors sitting fees	-	40,000
Rates and taxes	195,489	-
Insurance	3,169,504	-
Provision of regulatory matter (Refer note 17)	160,728,049	-
Premium of amortisation of forward contract	11,667,138	-
Loss on derivative contracts	610,230	-
Miscellaneous expenses	44,238,523	-
	<u>232,608,268</u>	<u>660,360</u>



4. Contingent liabilities and commitments:

- a) The Company has received claims amounting to Rs. 348,500,000 from a contractor towards deductions made by the Company due to non-performance of certain obligations under the terms of arrangement for the construction of certain works at the plant. The matter is under dispute and arbitration proceedings are going on.
- b) The Company has received claims amounting to Rs. 1,156,008,400 from a party towards consultancy and advisory services provided by them. As per the terms of arrangement between both the parties, the same would be settled by an arbitration process. The dispute also involves the jurisdiction wherein arbitration would be held between both the parties. Pending resolution of the matter with the High Court of Madhya Pradesh, no arbitration proceedings have been initiated yet.
- c) Demand of Rs. 87,222,747 (Previous year Rs. 13,530,061) towards transit fee from Indian Forest Act, 1927 and Rs. Nil (Previous year Rs. 9,803,093) raised by authorities under the Madhya Pradesh Gramin Aysanrachna Tatha Sadak Vikas Adhiniyam, 2005 (MPGATSAV, 2005), the grounds / basis under which it has been levied to other parties as well, is under examination by Hon'ble Supreme Court of India.

Future cash flows in respect of the above matter can only be determined based on the future outcome of various uncertain factors.

- d) Estimated amount of contracts (net of capital advance) remaining to be executed on capital account and not provided for Rs. 3,453,002,181 (previous year Rs. 8,461,866,198).

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
5. A. CIF value of imports:		
Capital goods (including coal mining equipments imported through a contractor)	3,610,308,687	6,791,839,790

B. Expenditure in foreign currency:

Legal and professional fees	46,403,774	822,83,914
Traveling and conveyance		2,847,283
Interest and finance charges	2,794,474,091	2,807,435,313
Premium on derivative contract	3,305,629,970	217,769,551

6. Details of remuneration to auditors:

As auditors		
For statutory audit fees	9,300,000	9,300,000
For others	3,480,000	405,000
Out of pocket expenses	178,129	232,983

7. 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 vendors 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.



8. Related party disclosures:

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

A. Parties where control exists:

Holding Company  
Reliance Power Limited (RPower)

B. Key management personnel:

Paresh Rathod - Manager and Company Secretary (w.e.f. 13.02.2015)\*  
Umesh Mooteri - Manager and Company Secretary (upto 12.02.2015)\*  
Laxmi Dutt Vyas - Chief Financial Officer (w.e.f. 11.11.2014)  
Venugopala Naredla Rao - Chief Executive Officer (w.e.f. 26.09.2014)\*

\* No transactions with the Company during the year.

C. Major investing parties/ promoters having significant influences on the holding company directly or indirectly:

Companies

Reliance Infrastructure Limited (RInfra)

Individual

Shri Anil D. Ambani

D. Other related parties with whom transactions have taken place during the year / closing balances existed at the year end:

(i) Fellow subsidiaries

- (a) Reliance Coal Resources Private Limited (RCRL)
- (b) Rosa Power Supply Company Limited (RPSL)
- (c) Vidarbha Industries Power Limited (VIPL)
- (d) Rajasthan Sun Technique Energy Private Limited (RSTEPL)
- (e) Tato Hydro Power Private Limited (THEPL)
- (f) Samalkot Power Limited (SMPL)
- (g) Jharkhand Integrated Power Limited (JIPL)
- (h) Coastal Andhra Power Limited (CAPL)
- (i) Dhursar Solar Power Private Limited (DSPPL)
- (j) Reliance Natural Resources Limited (RNRL)

(ii) Enterprises over which companies / individual described in clause C above has control / joint control:

- (a) Reliance General Insurance Company Limited (RGIL)
- (b) Reliance Communication Infra Limited (RCIL)
- (c) Reliance Infocomm Infrastructure Limited (RIIPL)
- (d) BSES Rajdhani Power Limited (BRPL)
- (e) BSES Yamuna Power Limited (BYPL)

## E. Details of transactions and closing balances:

Particulars	March 31, 2015	Rupees March 31, 2014
(i) Transactions during the year :		
Sale of energy		
BRPL	602,811,874	92,810,506
BYPL	942,512,848	56,632,027
Legal and professional fees (including shared service charges)		
R Power	550,564,000	11,236,000
Insurance premium		
RGIL	213,469,353	213,206,131
Remuneration to key management personnel		
Laxmi Dutt Vyas	1,028,269	-
Reimbursement of expenditure paid by		
R Power	20,862,470	22,302,620
VIPL	217,157	8,020
RCRL	3,044,664	4,712,287
RPSL	-	53,028
THPPL	37,816	5,548
SMPL	-	135,499
JIPL	-	17,600
CAPL	-	46,180
Rinfra	-	124,401,718
DSPPL	61,640	-
RSTEPL	50,784	-
RNRL	117,657,416	-
Reimbursement of expenditure paid for		
R Power	-	46,668
RSTEPL	10,170	48,734
VIPL	41,606,205	5,053,133
RPSL	68,612	41,162
SMPL	-	914
THPPL	11,774	5,984
Rinfra	60,445,456	66,570,046
BRPL	643,639	411,806
BYPL	708,468	252,699
Guarantee charges		
R Power	24,241,406	27,020,671
Insurance claim settled		
RGIL	531,122,407	26,000,000
Material / services received		
Rinfra	6,026,978,907	12,202,660,990
RPSL	9,976,037	51,911,536
CAPL	2,277,070	46,568,980
SMPL	13,084,295	39,096,071
RIIPL	8,119,023	16,996,705
RCIL	1,340,572	1,220,136
Advance paid		
Rinfra	5,178,097,250	5,430,851,150
Provision for regulatory matter		
BRPL	431,685,274	-
BYPL	276,097,042	-
Inter- corporate deposits received		
R Power	1,400,000,000	-
Share application money received		
R Power	9,472,000,000	11,173,495,000

Sasan Power Limited

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

Particulars		Rupees	
		March 31, 2015	March 31, 2014
(ii) Balance as at the year end			
Capital advance			
Rinfra		4,577,911,667	5,707,307,002
Retention payable			
Rinfra		4,602,301,199	5,017,979,864
Other current liabilities			
R Power		505,282,076	2,808,750
RPSL		2,296,753	51,911,536
SMPL		49,220,122	39,096,071
CAPL		2,277,070	43,184,430
Rinfra		178,453,090	424,082,482
RIIPL		25,115,728	16,996,705
RCIL		333,118	313,219
RCRL		73,849	-
VIPL		94,809	-
RNRL		117,657,416	-
Provision for regulatory matter			
BRPL		431,685,274	-
BYPL		276,097,042	-
Advance recoverable in cash or in kind			
Rinfra		600,185,583	-
RGIL		25,979	-
RCRL		-	961
Trade receivables			
BRPL		95,867,516	60,742,939
BYPL		462,542,234	36,831,691
Other receivables			
RGIL		66,854,425	-
Short-term borrowings			
R Power		1,400,000,000	-
Equity share capital (excluding premium)			
R Power		412,607,500	337,887,500
Preference share capital (excluding premium)			
R Power		357,887,500	337,887,500
Guarantees issued on behalf of the Company			
R Power		5,144,784,402	5,118,121,402

(iii) Reliance Infrastructure Limited has given an equity support undertaking to power procurers, that in the event of failure on part of Reliance Power Limited to invest, in full or in part, in the equity share capital of the Company, it shall subscribe to the balance equity.

(iv) The Holding Company has entered into agreements with the lenders of the Company wherein it has committed/ guaranteed to extend financial support in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including any capital expenditure for regulatory compliance and to meet shortfall in the expected revenues/debt servicing based on the future outcome of various uncertainties.

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

## 9. Earnings per share:

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
Profit attributable to equity shareholders (Rupees) (A)	(12,932,890)	12,909,980
Weighted average number of equity shares for basic earnings per share (B)	35,808,882	28,272,470
Earnings per share- basic (Rupees) (A/B)	(0.36)	0.46
Nominal value of an equity share (Rupees)	10	10

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

## 10. Disclosure under Accounting Standard - 15 "Employee Benefit" (AS-15)

The Company has classified various employee benefits as under:

## (A) Defined contribution plans

- a) Provident fund
- b) Superannuation fund
- c) State defined contribution plans
  - Employers' contribution to employees' deposit linked insurance
  - Employers' contribution to employees' pension scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the statement of profit and loss /Capital Work-in-Progress for the year:

	Year ended March 31, 2015	Rupees Year ended March 31, 2014
Contribution to provident fund	22,761,531	22,627,626
Contribution to employee's superannuation fund	630,730	696,340
Contribution to employee's deposit linked insurance scheme	22,200	207,801
Contribution to employee's pension scheme 1995	8,184,927	4,415,795

## (B) Defined benefit plans

- a) Gratuity
- b) Leave encashment

Leave encashment is payable to eligible employees who have earned leave, during the employment and/or on separation as per the Company's policy.

Valuations in respect of gratuity and leave encashment have been carried out by an independent actuary, as at the balance sheet date, based on the following assumptions:

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
a) Discount rate (per annum)	7.85%	7.85%	8.90%	8.90%
b) Rate of increase in compensation levels	7.50%	7.50%	7.50%	7.50%
c) Rate of return on plan assets	8.25%	-	8.25%	-
d) Expected average remaining working lives of employees in number of years	11.15	-	11.15	-

## (i) Changes in present value of obligation

	Rupees			
Opening balance of present value of obligation	23,910,467	31,227,742	15,407,790	26,474,823
Liability on transfer of employees (net)			222,517	260,127
Interest cost	2,731,250	3,985,232	1,621,837	2,921,676
Current service cost	8,100,375	15,683,212	5,228,510	12,159,100
Actuarial (gain) / loss	(170,683)	(8,960,191)	2,526,287	(9,696,721)
Benefits paid	(450,184)	(6,660,592)	(1,096,474)	(891,263)
Closing balance of present value of obligation	34,221,225	35,275,403	23,910,467	31,227,742

	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave encashment	Gratuity	Rupees Leave encashment
(ii) Changes in fair value of plan assets				
Opening balance of present value of plan assets	24,028,837	-	19,155,340	-
Expected return on plan assets	1,982,379	-	1,580,316	-
Actuarial gain / (loss)	3,947,486	-	(583,127)	-
Employers' contributions	-	6,660,592	4,972,782	891,263
Benefits paid	(450,184)	(6,660,592)	(1,096,474)	(891,263)
Closing balance of fair value of plan assets	29,508,518	-	24,028,837	-
(iii) Percentage of each category of plan assets to total fair value of plan assets administered by Reliance Life Insurance Company Limited	100%	-	100%	-
(iv) Reconciliation of the present value of defined present obligations and the fair value of assets				
Present value of funded obligation	34,221,225	-	23,910,467	-
Fair value of plan assets	29,508,518	-	24,028,837	-
Funded (assets*) / liability recognised in the balance sheet	-	-	(118,370)	-
Present value of unfunded obligation	4,712,807	35,275,403	-	31,227,742
Unfunded net liability recognised in the balance sheet	-	35,275,403	-	31,227,742
(v) Amounts recognised in the Balance Sheet				
Present value of obligation	34,221,225	35,275,403	23,910,467	31,227,742
Fair value of plan assets	29,508,518	-	24,028,837	-
(Assets*) / liability recognised in the balance sheet	4,712,807	35,275,403	(118,370)	31,227,742
*Grouped under prepaid expense in note no. 3.18. Short term loans and advances				
(vi) Expenses recognised in the Statement of Profit and Loss / Capital Work-in-Progress				
Current service cost	8,100,375	15,683,212	5,228,510	12,159,100
Interest cost	2,731,250	3,985,232	1,621,837	2,921,676
Expected return on plan assets	(1,982,379)	-	(1,580,316)	-
Net actuarial (gain) / loss	(4,018,169)	(8,960,191)	3,109,414	(9,696,721)
Effect of limit as per para 59(b)	-	-	-	-
Total expenses recognised in Statement of Profit and Loss / Capital Work-in-Progress	4,831,077	10,708,253	8,379,445	5,384,055
(vii) Actuarial (gain) / loss on obligations				
Net actuarial (gain) / loss due to experience	(7,990,461)	(12,310,788)	5,683,346	(6,833,313)
Net actuarial (gain) / loss due to change in assumption	3,972,292	3,350,597	(2,573,932)	(2,863,408)
(viii) Expected employer's contribution for the next year	5,000,000	-	5,000,000	-

## Disclosure as required under para 120 (n) of AS -15:

Sr.	Gratuity	2014-15	2013-14	2012-13	2011-12	Rupees 2010-11
i	Present value of the defined benefit obligation	34,221,325	23,910,467	15,407,790	5,000,968	3,355,416
	Fair value of the plan assets	29,508,518	24,028,837	19,155,340	10,461,027	3,283,810
	(Surplus) / deficit in the plan	4,712,807	(118,370)	(3,747,550)	(5,460,059)	71,606
ii	Experience adjustments					
	On plan liabilities	4,042,975	(5,100,219)	(5,339,962)	(14,452)	128,134
	On plan assets	3,947,486	(583,127)	641,787	(126,858)	(166,283)
	Net experience adjustment (gain / (loss))	7,990,461	(5,683,346)	(4,698,175)	(141,310)	(38,149)
Sr.	Leave encashment	2014-15	2013-14	2012-13	2011-12	Rupees 2010-11
i	Present value of the defined benefit obligation	35,275,403	31,227,742	26,474,823	15,038,283	3,788,095
	Fair value of the plan assets					
	(Surplus) / deficit in the plan	35,275,403	31,227,742	26,474,823	15,038,283	3,788,095
ii	Experience adjustments					
	On plan liabilities	(12,310,788)	6,833,313	(93,311)	(8,160,977)	1,492,934
	On plan assets					
	Net experience adjustment (gain / (loss))	(12,310,788)	6,833,313	(93,311)	(8,160,977)	1,492,934

The actuarial valuation of gratuity liability does not include liability of seconded employees, as the gratuity will be paid by the respective company which has seconded the employees as per the terms of secondment.

## 11. Exchange differences on foreign currency monetary items:

The Company has availed the option available with respect to accounting for exchange difference arising on long term foreign currency monetary items in the Companies (Accounting Standards) (Second Amendment), Rules, 2011. Due to exercise of the said option as explained in Note 2(i) above, the Company has adjusted the value of Capital Work-in-Progress by Rs. 4,083,264,956 (loss) (previous year loss Rs. 10,221,546,848) towards the exchange difference arising on long term foreign currency monetary liabilities. The amount capitalised in the current year also includes exchange difference defined as interest cost under para 4 (e) of Accounting Standard 16 "Borrowing Costs", pursuant to circular dated August 9, 2012 from Ministry of Company Affairs.

## 12. Provision for Mine closure expenses:

	As at March 31, 2015	As at March 31, 2014
Balance as at beginning of the year	347,436,229	259,578,792
Additions:	585,105,401	87,857,437
Amount used / reversed	-	-
Balance as at the end of the year	932,541,630	347,436,229

Provision for mine closure obligation represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the approved mine closure plan. The timing of the outflow with regard to the said matter would be in a phased manner based on the progress of excavation of coal and consequential restoration cost.

## 13. Foreign currency exposure:

## a) Particulars of derivative instruments

Instrument acquired for hedging	No. of instruments	As at March 31, 2015 Principal Notional Amount (USD)	No. of instruments	As at March 31, 2014 Principal Notional Amount (USD)
Interest rate swap	3	44,437,500	3	45,000,000
Call spread	9	609,199,481	6	207,000,000
Long term forward contract	-	-	9	51,000,000
Short term forward contract	23	185,800,774	-	-
Seagull option	2	135,166,790	-	-

No derivative instruments are acquired for speculation purposes.



## b) Foreign currency exposures not hedged by derivative instrument or otherwise as at March 31, 2015

Sr.	Particulars	In USD	Amount in Rupees
(1)	Borrowings including interest accrued but not due	592,119,746 <i>1,228,670,290</i>	37,061,248,578 <i>73,842,838,707</i>
(2)	Creditors for capital expenditure and retention	189,000,897 <i>204,355,686</i>	11,829,717,373 <i>12,281,735,832</i>
(3)	Premium payable in foreign currency	38,742,392 <i>NIL</i>	2,424,917,332 <i>NIL</i>

Figures in italics represent previous year figures.

**14. Capitalisation of Tangible Assets:**

While determining the accounting policy for capitalisation considering the plant as unit of measurement (refer note no. 2(c) (ii) above), the Company, after considering the opinions taken from the experts in accounting and technical and also views expressed by the industry association, has concluded that the entire plant, as envisaged in the PPA, would be taken as a unit of measurement for the purpose of capitalisation rather than unit wise completion. Accordingly, the whole power plant consisting of all six units on commencement of commercial production, i.e., where in commercial feasible quantities are produced in a commercially practicable manner, for the plant as a whole as determined by the PPA has been considered as the date of capitalisation.

Accordingly, upto the date of capitalisation, the revenues and direct operational expenses related to the units of power generated in the interim period are adjusted to the Capital Work-in-Progress. During the year the whole power plant consisting of all six units has commenced commercial operation and accordingly has been capitalised.

**15. Depreciation:**

Consequent to the Companies Act, 2013, being effecting from April 01, 2014, the Company has provided depreciation based on useful life as prescribed under Part A and Part C of Schedule II of the Act. Had the Company continue the earlier accounting policy, depreciation for the year would have been higher by Rs.1,143,564,925.

**16. Revenue Recognition:**

The Company has recognised revenue of Rs. 2,069,003,766 (previous year Rs. Nil) towards compensation on account of change in law in relation to increase in rate as compare to that prevailing at the time of the bidding of the project for royalty, clean energy cess and excise duty in relation to coal dispatch, based on the terms of the PPA considering the principals on which CERC has approved certain change in law vide its order dated March 30, 2015 and there being no significant uncertainty of ultimate collection of these amounts. Similarly in case of electricity duty and energy development cess payable to State Government aggregating Rs.1,868,189,919 (previous year Rs. Nil), the Company has filed a tariff petition to CERC and has recognised revenue. Pending receipt of final order from CERC including in the manner in which it needs to be billed, the Company has not billed the said amount to power procurers.

**17. Provision for regulatory matter:**

During the year, the Company has provided for an amount of Rs. 9,061,720,530 (previous year Rs. Nil) out of abundant caution, based on best estimate towards the dispute pending before the Appellate Tribunal of Electricity (ATE) on determination of start date of generation of power for Unit I of the Project as per the terms of PPA, including any consequential refund which may have to be given. Pending conclusion of the matter, the Company has obtained a legal advice on the dispute.

**18. Cost of fuel consumed (including coal, high diesel oil, heavy furnace oil and light diesel oil)**

Particulars	Year ended March 31, 2015	Rupees Year ended March 31, 2014
Balance at the beginning of the year	352,393,329	333,115,591
Add: Purchases / production during the year	8,401,477,912	2,667,871,542
Less: Balance at the end of the year	394,075,987	352,393,329
<b>Consumed during the year</b>	<b>8,359,795,254</b>	<b>2,648,593,804</b>

19. In accordance with Accounting Standard - 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as power generation. Since, there are no other business segments in which the Company operates and the power generated would be sold within India, there are no other primary reportable segments. Therefore the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.
20. The Company is in the process of applying to the State Government for the deferred/ waiver of the electricity duty as per the applicable laws. Pending filling of the application the Company has provided for the duty payable as per the applicable law and paid the electricity duty as per demand revised by the authority.
21. Deferred tax liability arising on account of timing difference between book and tax depreciation has been offset by deferred tax asset on unabsorbed depreciation as per tax laws.
22. Previous year figures have been regrouped/ rearranged, wherever necessary to make them comparable to those for the current year.

Sasan Power 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 Price Waterhouse  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of the Board of Directors

Priyanshu Gundana  
Partner  
Membership Number: 109553

Dr. Yogendra Narain  
Director  
DIN Number: 01871111

Devyani Khankhoje  
Director  
DIN Number: 07086817

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

Ashok Kacharuaas-Karnavat  
Director  
DIN Number: 07098455

Ashutosh Agarwala  
Director  
DIN Number: 03151103

Vijay Napawaliya  
Partner  
Membership Number: 109859

Shrikant D Kulkarni  
Director  
DIN Number: 05136399

Laxmi Dutt Vyas  
Chief Financial Officer

Paresh Rathod  
Company Secretary  
Membership No. : FCS 3476

N. Venugopala Rao  
Chief Executive Officer

Place: Mumbai  
Date: May 22, 2015

Place: Mumbai  
Date: May 21, 2015